

By Mr. REECE: A bill (H. R. 13229) granting a pension to Horace Clive Gray; to the Committee on Pensions.

By Mr. ROBSB: A bill (H. R. 13230) granting an increase of pension to Blaine Campbell; to the Committee on Pensions.

By Mr. SNYDER: A bill (H. R. 13231) granting a pension to August Richards; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6527. By Mr. CRISP: Petition of R. O. Stone and others, favoring the repeal of section 900, paragraph 7, of the internal revenue bill; to the Committee on Ways and Means.

6528. By Mr. CULLEN: Petition of the Inter-Lake Yachting Association, of Detroit, Mich., favoring the passage of H. R. 10531; to the Committee on Interstate and Foreign Commerce.

6529. By Mr. DALLINGER: Petition of James P. Scott and others, of Waverley, Mass., favoring a modification of the immigration laws to permit the immigration of the refugees of the Near East into the United States; to the Committee on Foreign Affairs.

6530. By Mr. KISSEL: Petition of the Federation of Polish Hebrews of America, New York City, N. Y., relative to amending the immigration laws; to the Committee on Immigration and Naturalization.

6531. Also, petition of the National Bank of Commerce of Detroit, Detroit, Mich., relative to branch banking; to the Committee on Banking and Currency.

6532. By Mr. A. P. NELSON: Petition of citizens of Spooner, Wis., to abolish discriminatory tax on small-arms ammunition and firearms—internal revenue bill; to the Committee on Ways and Means.

6533. By Mr. SANDERS of New York: Petition of the congregation of the Barre Center Presbyterian Church, New York, urging legislation empowering the President to take the necessary steps for the protection of the Christian population in the Near East; to the Committee on Foreign Affairs.

6534. By Mr. SHREVE: Resolution of Diamond Chapter, No. 120, Order of the Eastern Star, Linesville, Pa., favoring the passage of the Towner-Sterling bill; to the Committee on Education.

6535. By Mr. SINCLAIR: Petition of the local Federation of Shop Craft of New Rockford, N. Dak., protesting against the condition of railroad equipment and asking that steps be taken for the protection of the traveling public; to the Committee on Interstate and Foreign Commerce.

6536. Also, petition of Mrs. Donald Stewart and 34 others, of Flaxton and Bowbells, N. Dak., urging the passage of legislation for the stabilization of prices of farm products; to the Committee on Agriculture.

6537. By Mr. SNYDER: Petition of Worth Bagley Post, No. 9, National Soldiers' Home, Bath, Me., favoring support of the Chandler bill (H. R. 9198) increasing the rates of pension for survivors of the war with Spain and the Philippine insurrection; to the Committee on Pensions.

SENATE.

THURSDAY, December 7, 1922.

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

O God, all days are Thine, whether of cloud or sunshine, whether of adversity or prosperity, and we ask Thy help that we may use them as given to us by Thee for our highest welfare, and that we may serve Thee most acceptably. Be with us through this day, and may every duty be assumed with the consciousness of Thy presence and Thy wisdom; and so lead us onward ever to Thy glory. For Christ Jesus' sake. Amen.

The reading clerk proceeded to read the Journal of yesterday's proceedings when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

SENATOR FROM MICHIGAN.

Mr. TOWNSEND. Mr. President, I send to the desk a communication from the Governor of Michigan, which I desire to have read.

The VICE PRESIDENT. The Secretary will read the communication.

The Assistant Secretary read as follows:

STATE OF MICHIGAN, Executive Office, Lansing.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that pursuant to the power vested in me by the Constitution of the United States and the laws of the State of Michigan, I, Alexander J. Groesbeck, the Governor of said State, do hereby appoint JAMES COUZENS a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the resignation of Truman H. Newberry, is filled by election, as provided by law.

Witness: His excellency our Governor, Alexander J. Groesbeck, and our seal hereto affixed at Lansing, this 29th day of November, in the year of our Lord 1922.

[SEAL.]

ALEX. J. GROESBECK,
Governor.

By the Governor:

CHAS. J. DELAND,
Secretary of State.

The VICE PRESIDENT. The credentials will be placed on the files of the Senate.

Mr. TOWNSEND. Mr. COUZENS is present and ready to take the oath.

The VICE PRESIDENT. The Senator appointed will present himself at the desk and receive the oath of office.

Mr. COUZENS, escorted by Mr. TOWNSEND, advanced to the Vice President's desk, and the oath prescribed by law having been administered to him he took his seat in the Senate.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed a bill (H. R. 10531) to distribute the commissioned line and engineer officers of the Coast Guard in grades, and for other purposes, in which it requested the concurrence of the Senate.

PENNSYLVANIA SENATORIAL ELECTION RETURNS.

The VICE PRESIDENT laid before the Senate a certificate of the Governor of Pennsylvania, transmitting, in compliance with State law, official returns of the election held on November 7, 1922, in the several counties of the Commonwealth for the offices of United States Senator for the term ending March 4, 1923; for the term beginning March 4, 1923; and for the term ending March 4, 1927, which was ordered to be placed on file.

TRAVELING EXPENSES, UNITED STATES BOTANIC GARDEN.

The VICE PRESIDENT laid before the Senate a report of the director of the United States Botanic Garden, made pursuant to law, showing traveling expenses of officials and employees of the Botanic Garden on official business from Washington to points outside the District of Columbia, fiscal year 1922, which was referred to the Committee on Appropriations.

REPORT OF INTERSTATE COMMERCE COMMISSION.

The VICE PRESIDENT laid before the Senate a communication from the chairman of the Interstate Commerce Commission, transmitting, pursuant to law, the thirty-sixth annual report of the commission, which was referred to the Committee on Interstate Commerce.

REPORT OF THE UNITED STATES SHIPPING BOARD.

The VICE PRESIDENT laid before the Senate a communication from the chairman of the United States Shipping Board, transmitting, pursuant to law, the sixth annual report of the board for the fiscal year ended June 30, 1922, which was referred to the Committee on Commerce.

REPORT OF PUBLIC UTILITIES COMMISSION.

The VICE PRESIDENT laid before the Senate a communication from the chairman of the Public Utilities Commission of the District of Columbia, transmitting, pursuant to law, the report of the commission for the fiscal year ended December 31, 1921, which was referred to the Committee on the District of Columbia.

AGRICULTURAL DEPARTMENT PUBLICATIONS.

The VICE PRESIDENT laid before the Senate a communication from the Acting Secretary of Agriculture, transmitting, pursuant to law, a detailed report showing publications received and distributed by the Agricultural Department for the fiscal year ended June 30, 1922, which, with the accompanying papers, was referred to the Committee on Printing.

He also laid before the Senate a communication from the Acting Secretary of Agriculture, transmitting, pursuant to law, a report giving in detail the aggregate number of publications issued by the Department of Agriculture during the fiscal year ended June 30, 1922, together with the cost of preparation, paper, and printing of each publication and the number of each distributed, which, with the accompanying papers, was referred to the Committee on Printing.

PETITIONS.

Mr. LADD presented petitions of A. E. Anderson and 34 others, of Carrington; Jacob Fjartl and 64 others, of Tunbridge; F. G. Mattoon and 10 others, of Underwood; Ted. B. Horgan and 9 others, of Neche; Alex Dagell and 56 others, of Walhalla; Arthur Johnson and 12 others, of Alexander; And. H. Oksendahl and 22 others, of Tunbridge; Elizabeth Tysver and 9 others, of Hazen; Tom T. Nelson and 22 others, of Lansford; Michael Templien and 8 others, of Kulm; Ole L. Moen and 6 others, of Lisbon; Mrs. P. H. Chase and 6 others, of Eckman; John E. Johnson and 12 others, of Killdeer; Mathies Olstad and 15 others, of Galesburg; John Susak and 9 others, of Minot; Mrs. Donald Stewart and 51 others, of Flaxton; John Fenster and 9 others, of Noonan; Louis C. Ralsoig and 8 others, of Arnegard; Ole Hefte and 78 others, of Driscoll; Andrew Gilbertson and 46 others, of Medina, all in the State of North Dakota, praying for the enactment of legislation to stabilize the prices of wheat, which were referred to the Committee on Agriculture and Forestry.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SPENCER:

A bill (S. 4108) for the relief of Elizabeth A. Maynard; to the Committee on Claims.

By Mr. ROBINSON:

A bill (S. 4109) to authorize the Baptist National Hospital Association (Inc.) to use and occupy certain land in the Hot Springs National Park, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. LA FOLLETTE:

A bill (S. 4110) to amend the act of August 15, 1921, entitled "An act to regulate interstate and foreign commerce in live stock, live-stock products, dairy products, poultry products, and eggs, and for other purposes"; to the Committee on Agriculture and Forestry.

By Mr. HARRELD:

A bill (S. 4111) granting a pension to Augusta Myers; and A bill (S. 4112) granting a pension to Joseph A. Branstetter; to the Committee on Pensions.

By Mr. BAYARD:

A bill (S. 4113) for the relief of Helene M. Layton; to the Committee on Claims.

By Mr. FRELINGHUYSEN:

A bill (S. 4114) for the relief of Bertha N. Rich; to the Committee on Claims.

By Mr. MOSES:

A bill (S. 4115) granting a pension to Thomas Gorman (with accompanying papers); to the Committee on Pensions.

By Mr. SPENCER:

A bill (S. 4116) granting the consent of Congress to the State Highway Commission of Missouri, its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the St. Francis River, in the State of Missouri; to the Committee on Commerce.

By Mr. ELKINS:

A bill (S. 4117) authorizing the closing of certain portions of Grant Road in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. CALDER:

A bill (S. 4118) to create the Arbitration Commission, United States Shipping Board, and to amend the merchant marine act, 1920, and for other purposes; to the Committee on Commerce.

HOUSE BILL REFERRED.

The bill (H. R. 10531) to distribute the commissioned line and engineer officers of the Coast Guard in grades, and for other purposes, was read twice by its title and referred to the Committee on Commerce.

THE CALENDAR.

The VICE PRESIDENT. Morning business is closed. The calendar under Rule VIII is in order.

The bill (S. 214) to amend section 24 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, was announced as first in order on the calendar.

Mr. SMOOT. I ask that the bill may go over.

The VICE PRESIDENT. The bill will be passed over.

Mr. SMOOT. The calendar was called just day before yesterday. Is it advisable to go over it again to-day?

Mr. UNDERWOOD. There may be some measures on the calendar that Senators may desire to call up, and an opportunity will be given for those who desire to have a bill considered to move to take it up if we call the calendar in the ordinary

way, as I hope it is being called. I have no desire to have the bill just referred to passed over, but I presume it can go over by unanimous consent.

The bill (S. 1467) to carry into effect the findings of the Court of Claims in favor of Elizabeth White, administratrix of the estate of Samuel N. White, deceased, was announced as next in order.

Mr. SMOOT. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1016) to amend an act entitled "An act to repeal section 3480 of the Revised Statutes of the United States," was announced as next in order.

Mr. SMOOT. Let the bill go over.

The VICE PRESIDENT. The bill goes over.

Mr. SMITH. Mr. President, it seems to me if we are going to take up the calendar in this way absent Senators ought to be apprised of the fact. A good many Senators have been busy in committee rooms this morning.

Mr. SMOOT. I will say to the Senator we went through the calendar only day before yesterday and every bill on the calendar was called. Any bill can be taken up now on motion.

Mr. SMITH. That is exactly the point I had in mind.

Mr. UNDERWOOD. If we have not anything else to do, it gives a Senator who desires it an opportunity to test the Senate as to whether it will consider a bill.

Mr. SMOOT. That is the thought I had in mind.

Mr. SMITH. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Frelinghuysen	McLean	Smith
Bayard	George	McNary	Smoot
Borah	Hale	Moses	Spencer
Brandegge	Harrell	Nelson	Sterling
Brookhart	Harris	New	Sutherland
Broussard	Harrison	Nicholson	Townsend
Calder	Heflin	Norbeck	Trammell
Capper	Johnson	Norris	Underwood
Caraway	Jones, Wash.	Overman	Walsh, Mass.
Couzens	Kellogg	Page	Walsh, Mont.
Culberson	Kendrick	Pepper	Warren
Cummins	Keyes	Pittman	Watson
Curtis	Ladd	Pomerene	Weller
Dial	La Follette	Ransdell	Willis
Ernst	Lenroot	Robinson	
Fernald	Lodge	Sheppard	
Fletcher	McKellar	Shortridge	

The VICE PRESIDENT. Sixty-five Senators have answered to their names. There is a quorum present.

The Secretary will proceed with the call of the calendar.

The resolution (S. Res. 67) authorizing the Committee on Expenditures in the Executive Departments to hold hearings here or elsewhere and to employ a stenographer to report the same was announced as next in order.

Mr. OVERMAN. Let that resolution go over, Mr. President.

The VICE PRESIDENT. Being objected to, the resolution will go over.

SALARY AND MILEAGE OF HON. CHARLES A. RAWSON.

Mr. CALDER. From the Committee to Audit and Control the Contingent Expenses of the Senate I report without amendment Senate Resolution 375, and ask unanimous consent for its consideration.

There being no objection, the Senate proceeded to consider the resolution (S. Res. 375) submitted by Mr. CUMMINS on the 6th instant, which was read, as follows:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay out of the contingent fund of the Senate to Hon. Charles A. Rawson \$493.15, salary from November 8, 1922, to December 1, 1922, both dates inclusive, and \$459.20, mileage for attendance at the third session of the Sixty-seventh Congress, said sums being due him as a Senator from the State of Iowa.

Mr. UNDERWOOD. Mr. President, I do not intend to resist the passage of this resolution; in fact, I am very anxious to see former Senator Rawson get his pay, but I am unwilling to let the resolution pass without saying a word. On yesterday I intimated my position on the question involved when the subject came up in reference to another matter. I did not agree with the ruling of the Vice President in the case of former Senator Christie Benet, and I do not agree with it now. It seems to me that the correct rule in reference to these matters is absolutely clear. A man is either a Senator or he is not a Senator. If he is a Senator, then the general law applies. No one, I think, can controvert that proposition. If the general law applies, there is no occasion whatever for providing for the payment of the salary of the Senator out of the contingent fund. If a man is not a Senator, then he is not entitled to be paid out of any fund. I think in such cases these men are Senators.

I did not agree with the Vice President in his ruling in the Benet case for this reason: In the beginning the Constitution of the United States contemplated that the Senate of the United States should hold the balance of power between the States of the Union, be they great or small; that, regardless of population, there should be two Senators on the floor of the Senate in order to protect the rights of the small States as well as the rights of the large ones.

In the beginning the Constitution of the United States provided that Senators should be elected by the legislatures of the States. The Constitution, however, has always provided that a vacancy in the Senate could be filled by appointment.

What was the reason for that? It was that the balance of power in the Senate should not be disturbed for a moment. When the amendment to the Constitution providing for the election of Senators by the people was under consideration here the first proposal did not carry provision for an appointment ad interim by the governor; but Congress in submitting the amendment and the people in ratifying it realized that the balance of power should continue to be held between the States and therefore gave to the governors of the States the right to appoint Senators in the event that the States desired to avail themselves of such right by proper legislation; and all the States of the Union have done so.

Mr. President, it seems to me an absurd proposition to hold that the governor of a State may fill a vacancy existing in the Senate up to election, and that then after election day there must be a vacancy until a certificate of the election of a Senator is filed. It is easy to contemplate a case where an election contest may become so involved that no one can get a certificate of his election as Senator for months after the election; and, that during that time such State will have only one representative on the floor of the Senate. If the Senate is going to conform to the ruling heretofore made, I think it will be an absurd proposition. It will not be in accord with the intention of the Constitution as originally framed; it will not be in accord with the intention of the Constitution when the new amendment providing for the election of Senators by the people was adopted. It will force a vacancy in the Senate which was not contemplated at any time by the founders or the framers of this Government.

Mr. CURTIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Kansas?

Mr. UNDERWOOD. I will yield in just a second. I have just about concluded. I therefore think that for the future the question should either be decided by the Chair that the salary of Senators who are appointed ad interim shall come out of the Treasury in the usual form or that a resolution should be offered and sent to the Judiciary Committee and this question settled and settled properly.

I now yield to the Senator from Kansas.

Mr. CURTIS. I wish to suggest to the Senator that this question arises on account of the act of 1894. I have sent for a copy of that act, but I have not a copy of it before me at this time and have not had opportunity to look at it.

Mr. SMOOT. I have a copy of that act here.

Mr. CURTIS. That law provides that the salary of a Senator who was elected shall begin on the day of his election. I have offered a joint resolution to correct that, and it has gone to the Committee on Privileges and Elections. I have asked the committee to act on it as soon as possible. If they will report the joint resolution out, and action is taken on it by Congress, it will remedy the situation to which the Senator from Alabama calls attention.

Mr. UNDERWOOD. I am very sure it will remedy the situation, so far as paying two salaries is concerned. Two salaries, however, are paid every time there is a contest in the Senate. A Senator who may be unseated draws his salary up to the hour he is unseated, and the Senator who is seated draws his salary back to the beginning of the term. The situation to which the Senator refers, of course, is one that ought to be corrected, but it has nothing to do with the matter which I am arguing. I am discussing a constitutional question, the question of the right of a Senator to take his seat. If he does take his seat, he is a Senator under the law, and he is entitled to draw his pay.

Mr. CURTIS. I desire to suggest that it has been the practice of the Senate for many years to permit a Senator who has been appointed or elected to fill a vacancy to serve until his successor appears; and my opinion has been that if we should repeal the statute in reference to salary the evil would be corrected; that then the Senate would continue to permit a Senator to serve, and he would have a right to serve until his successor appeared here with the proper credentials.

Mr. UNDERWOOD. I think that is right. I am making no question about the pending resolution; I am going to allow the resolution to go through in a moment without any objection on my part; but I simply do not want to let the precedent continue so that every time a man presents his credentials here there is a doubt as to how long he remains a Senator. What the Senator from Kansas has just stated is and ought to be the constitutional law of the land. If a man comes here with proper credentials from the governor of his State he is entitled to voice the sentiments of the people of his State until his successor presents his credentials at the Vice President's desk. There should not be any question about that.

Mr. SMOOT. Mr. President, in order to correct a slight error which I made yesterday in discussing this same question, I wish to read into the RECORD a provision of the law of 1894, as follows:

That the salaries of Senators elected or appointed to fill vacancies in the Senate, and of Senators elected for a full term subsequent to the commencement of such term, shall commence on the date of their election or appointment.

That is found in the Twenty-eighth Statute at Large, page 162. In this case that means that if we pay Mr. Rawson from November 8, 1922, to December 1, the day on which the elected Senator was sworn in, there will be the payment of two Senators during that length of time. There is no question about that, but it has been the unbroken practice for 28 years to do that.

I agree with the Senator from Alabama that the law should be changed; I think there can be no question as to that; and the Senator from Kansas [Mr. CURTIS] has already stated that he has introduced a joint resolution to bring about that change, but I myself do not think that we ought now to change the precedent which has been followed for 28 years.

I merely wanted the words of the law to go into the RECORD at this time, because, as I have said, I made a statement yesterday, not knowing the law was in force, which conflicts with the law. I desire to be perfectly correct in any statement I ever make in the Senate, and it is for that reason that I take the floor now to make the correction.

Mr. SMITH. Mr. President, let me ask the Senator a question. Does he say that under the present rules two Senators draw salaries for the same office?

Mr. SMOOT. Yes. For instance, Mr. BROOKHART was elected on November 8, 1922. Under the laws of Iowa the governor of that State could not issue the certificate of election until 20 days afterwards, as I remember, or a certain number of days afterwards; but during that whole time Mr. Rawson was serving in this Chamber, and the resolution is to pay him from November 8, 1922, until the certificate of election of Mr. BROOKHART was presented and he was sworn into the Senate. Therefore during that time, if we pass this resolution, the Senator who was appointed will draw a salary as well as the Senator who was elected on November 8, 1922, up until December 1.

Mr. SMITH. In other words, Mr. BROOKHART's salary begins with the date of his election?

Mr. SMOOT. Yes.

Mr. SMITH. And Mr. Rawson's salary runs until Mr. BROOKHART is sworn in?

Mr. SMOOT. Until he was sworn in.

Mr. HEFLIN. Then both Senators drew salaries for that period?

Mr. SMOOT. For that period of time.

Mr. HEFLIN. That ought not to be, Mr. President.

Mr. SMOOT. I thought so, Mr. President. I spoke of it yesterday, and said it ought to be changed; but that is the law. It was passed in 1894 and is found in Twenty-eighth Statutes at Large, page 162.

Mr. CALDER. Mr. President, it applies also to the case of Mrs. Felton and Mr. GEORGE.

Mr. HEFLIN. Mr. President, in my own case I was elected on November 2, 1920, and I drew the salary from that day. The term of Governor Comer, who was appointed to succeed Senator Bankhead, expired on the 2d day of November. My term commenced then. I drew the salary. Governor Comer never drew any salary after the 2d of November. It ought to be made clear that the sitting Member's term, the term for which he was appointed, expires on the day of the election. I think that is what we all meant when we amended the Constitution.

Mr. SMITH. Let me ask the Senator from Alabama whether Mr. Comer served on after the 2d day of November?

Mr. HEFLIN. He did not. The Senate was not in session.

Mr. SMITH. But in this case Mr. Rawson served on until Mr. BROOKHART was sworn in, although under the law Mr. BROOKHART's salary started the day he was elected.

Mr. HEFLIN. Why, then, should Mr. Rawson have served a day after Mr. BROOKHART was elected?

Mr. SMOOT. They did not know what day Mr. BROOKHART was elected, and the certificate of election could not be issued until a certain number of days after the election.

Mr. FLETCHER. Mr. President, the whole difficulty seems to grow out of the statute. The statute directs that the pay of a Senator shall begin at the time of his appointment, if he is appointed, or at the time of his election, if he is elected. Each of those Senators must draw his pay from that time. The financial clerk has nothing else to do but to follow the law. It is the statute that does that. You may pay three people, but you are never without two Senators from each State. The difficulty is under the statute we are probably paying three persons part of the time; but the law is there. There is nothing to do but to change the statute.

Mr. NORRIS. Mr. President, I rise to a point of order.

The VICE PRESIDENT. The Senator will state the point of order.

Mr. NORRIS. We are unable to hear the Senator, although he is speaking in a very loud voice. There is too much commotion in the Chamber.

The VICE PRESIDENT rapped for order.

Mr. FLETCHER. I am simply saying, Mr. President, that there is no option on the part of the disbursing officer of the Senate. Under the statute he must pay from the time the Senator is appointed in the case of an appointment, and under the statute he must pay from the date of the election in the case of an election. He is obliged to make those payments, because the statute says so. The whole thing can be remedied by changing the statute, but until you change the statute there is nothing to do but to pay each Senator as long as he is here, whether he is appointed or whether he is elected, from the date of the appointment or from the date of the election.

There may be a case where three persons are paid, as in the Georgia case. There may be in this case. Part of the time three persons are paid, but that is a matter for the Senate to control. At any rate, it is not a question of the Constitution, I take it, but it is entirely a question of the statute, and the proposal of the Senator from Kansas [Mr. CURTIS] ought to correct that. It seems to me the bill ought to be reported out, and if it is reported out the statute would be changed and the whole question would be settled.

Mr. SPENCER. Mr. President, I may say to the Senator from Florida that the bill which was referred to the Committee on Privileges and Elections was referred to a subcommittee, who have met and reported back favorably the bill, which provides that the pay of an appointed Senator shall continue until his successor is elected and qualified; and the pay of the successor commences not from the day of his election, under this bill, but commences from the day of his qualification in the Senate.

May I also say that I find in looking up that case that the precedent has not been quite as the Senator from Utah [Mr. SMOOT] thinks. The unbroken precedent of the Senate has been never to pay three men. The only time three men are paid is when, as in the present resolution, there is taken out of the contingent fund of the Senate an amount of money to pay the appointed Senator for the time that he has actually been here.

As a matter of fact, this has been the precedent of the Senate: When a Senator is appointed his salary commences from the day of his appointment. When the election occurs his salary automatically ends, even though he continues on, as in the case of the Senator from Iowa or as in the case of the Senator from Georgia. His salary automatically ends on the day of election, and the salary of the man who was elected, even though he does not come in and qualify for a week or two, commences, under the present practice, on the day of his election.

I was an illustration of that very principle. I was elected on November 3, perhaps, 1918. I did not take my seat until the 21st of November, but my salary dated back from the 1st of November, and the salary of the appointee whose place I took, Mr. Wilfley, ended upon the day of the election. That has been the unbroken precedent of the Senate, and if the Senator will read the third paragraph of the memorandum he has he will find precisely what I have said.

Mr. SMOOT. Mr. President, I think the Senator misunderstood me if he thought I said anything else than he has stated. This memorandum says:

In three or four instances during said time the appointee has been paid for a few days for his attendance after election, and such payments have been made, by authority of the Senate, out of the contingent fund.

Nobody has ever claimed that appointees have been paid in any other way than from the contingent fund. They have never been paid out of the regular appropriation that was made for the 96 Senators. I do not think anybody has claimed that.

Mr. SPENCER. Nor have they ever been paid except by a special resolution taking the amount out of the contingent fund.

Mr. SMOOT. Why, certainly. That is exactly what I stated.

Mr. SPENCER. I misunderstood the Senator.

Mr. SMOOT. And that is exactly what this is. This is a resolution to pay the salary out of the contingent fund.

Mr. UNDERWOOD. The controversy is not over the proposition of what has been done but over what ought to be done.

Mr. SMOOT. What ought to be done; yes.

Mr. UNDERWOOD. I am glad to hear that the Senator is prepared to report a bill to change the law, so that the proper procedure will take place in the future.

Mr. NORRIS and Mr. HARRELD addressed the Chair.

The VICE PRESIDENT. The Senator from Nebraska.

Mr. NORRIS. Mr. President, the important question here is not the payment of the salary, although that might have considerable weight. It is a serious proposition, to my mind. It ought to be settled by the Senate when there is no difficulty before it, and no matter that will either be invalidated or otherwise affected.

The question involved is, Who is Senator from a certain State under certain conditions, or is there any Senator? The question is whether, when a Senator is appointed to fill a vacancy, his term expires on the day his successor is elected. If that is true, then there will be, in effect, a vacancy from that State, no matter how many salaries are paid. The question involved is whether that Senator holds by virtue of his appointment until his successor is qualified. Otherwise you would have a hiatus.

It is a matter that goes away beyond the payment of a salary. There might be a time in the Senate when the fate of important legislation would depend upon one vote, when a bill affecting the entire people was being voted on, when the vote of one Senator would change the result. We can easily imagine cases of that kind that would be of transcendent importance. If a person is here voting who is not a Senator, and that vote changes the result, it is something that affects the entire country. It is a question of construction of the constitutional provision. We had better decide it at some time, at least, even though we decide it as many of us would think would be wrong, rather than not have it decided at all.

I am not trying to affect this resolution. I am perfectly willing that it shall go through until the matter is settled; but if a man who is appointed to fill a vacancy is only entitled to his seat until election day, he is not entitled to vote after that time and between that date and the date when his successor is qualified and sworn in here.

That is the important thing. That may have a great bearing upon the entire country. It seems to me the matter ought to be deliberately passed on by the Senate. Let it be referred first, perhaps, to the proper committee, to the Judiciary Committee, and have a report come in, and then let there be a vote on the question, so as to establish a precedent one way or the other. It is not a matter of statute, but it is a matter of construction of a constitutional provision.

The Senate, it is true, is the judge of the qualifications of its Members, and so forth, and its decision is final. It ought to pass on this matter, not in a haphazard way but after due deliberation, because if that is not done the time may come when this question may upset important legislation in which the entire country is interested.

THE MUSCLE SHOALS PLANT.

Mr. HEFLIN. Mr. President, I am not going to object to the passage of the pending resolution, but I want to say a word while it is before the Senate about another matter.

In the Washington Post of to-day there is an article regarding a bill introduced in the House yesterday by Mr. DICKINSON, of Iowa. It is headed:

Federal production of fertilizer urged. Farm bloc Member offers bill in House for Government operation of Muscle Shoals.

The article reads:

A Government-controlled corporation to produce nitrate for war purposes and cheap fertilizer for farmers was proposed yesterday as a solution of the Muscle Shoals question by Representative DICKINSON, Republican, Iowa, a leader of the "farm bloc," who introduced a bill to put his plan into effect.

In a statement Mr. DICKINSON said the Ford offer for Muscle Shoals had been subjected to such "strong criticism" as to endanger the future disposition of the plant, and that he had been "led to the conclusion that some plan of Federal operation is the only solution that will insure early completion" of the work. His bill provides that the "Federal Chemical Corporation," consisting of the Secretary of War, the Secre-

tary of Agriculture, and three members to be appointed by the President, be given power to complete and operate the Muscle Shoals project for the manufacture of nitrate and fertilizer, the latter to be sold to the consumer at cost plus 4½ per cent to provide funds to complete and equip the plants. The corporation also would be authorized to sell excess power to States, municipalities, or private enterprise. The corporation also would be authorized to fix prices for fertilizer charged by private manufacturers who obtained the chemical elements from the Muscle Shoals plant.

Mr. President, in one breath we are urged to keep the Government out of business, to keep the hand of the Federal Government out of private enterprise, and to do that which will encourage enterprise and industry among the citizens. Here is a suggestion to put the Government into the business of manufacturing fertilizer. That should only be done as a matter of last resort.

I know, and I think every other Senator here knows, that the fertilizer concerns of this country are so big and powerful that they are not going to permit those who now control the Government to manufacture fertilizer to be sold in competition with their products. At this time the mere suggestion of that course would seem to mean another effort to postpone favorable action on the Ford offer for Muscle Shoals.

Mr. President, when a Republican committee from the House had recommended that the Muscle Shoals project be abandoned, that the Government should not expend any more money on the project, I suggested that the Senate Committee on Agriculture visit Muscle Shoals and see for ourselves just what the situation was. The Senate by resolution, which was recommended by our committee, authorized us to go. We were accompanied by a House committee, and the members of both committees said that the project should be completed as early as possible, that it was a wonderful project, and the thought of junking it was ridiculous.

Henry Ford, the marvel and wizard of the industrial world, went down there with Thomas A. Edison, and when he looked at that power site and saw that mighty water power going to waste, the Government property standing idle and deteriorating, he said, "I will take charge of this project if the Government will permit me, and use it for the good of millions of people." He said, "I will rescue it from the category of junk material and make it bless and benefit millions of American farmers."

We came back to Congress and started hearings on the subject in the Committee on Agriculture of the Senate, and Mr. Ford's chief engineer, Mr. Mayo, stated in response to a question from me that it was Mr. Ford's purpose to manufacture commercial fertilizer in abundance, and that he would be able to sell that fertilizer to the farmers of the United States for half the price they pay for it now.

Mr. President, that would be a wonderful help and blessing to our farmers. The fertilizer bill in my State alone in 1920 was \$20,000,000. If the purchasers of fertilizer in Alabama could have bought that fertilizer for half that amount, \$10,000,000, it would have saved to the farmers of my State on fertilizer in one year \$10,000,000. It can be seen from that situation that it would be worth millions to the States that use fertilizer. The day is not far distant when the farmers will have to have fertilizer for their farming land in the West, and here is an opportunity to use the water power on the Tennessee River and make use of the phosphate beds in Tennessee and manufacture cheap fertilizer for our farmers.

Mr. President, this matter has been pending in the Senate and in the House for months. The farmers of the South and West and East and North favor the Ford offer. The laboring men of the whole country are for Henry Ford; and why is it that we can not get this matter up in this body and in the House and pass it?

Now, a suggestion is made in the House that is impossible and impracticable. At this time no majority will vote for a measure of this sort. I do not want to put the Government into competition with private enterprise if I can help it. I want to encourage private individuals to go into every kind of legitimate business. Here is an opportunity to give to the farmers of the United States fertilizer at half price.

Let us accept Ford's offer at this session of Congress. I submit that when certain Senators are moving heaven and earth to pass a ship subsidy bill, which is in the interest, in the main, of the Shipping Trust of the United States, they ought to give some consideration to the demand of the farming mass of the American people and the laboring people of the United States who favor accepting the Ford offer for Muscle Shoals.

Why is it that we can not get action upon a matter of this kind? Is it because certain sinister interests have said we shall not have action upon it at this session?

Mr. President, they are merely postponing the day. If we can not get action in this session of Congress, we will get it

after the 4th of March. We are going to have a new order of things after the 4th of March. I believe we will have a majority in this body that will support Henry Ford's offer. I believe we will have a majority in the House that will support the Ford offer after the 4th of March, and I am not sure that a majority in the House would not vote for it now, and I am not entirely sure that we could not obtain a majority in the Senate if you would permit us to vote upon it. I ask the question of the Senate and the country, Why is it that these measures, in which the people generally are interested, are sidestepped and sidetracked, when measures in which special interests are concerned come to the front and are pressed and passed by the party in power?

It is proposed that a Federal chemical corporation shall go out into the business of manufacturing fertilizer and sell electric power to villages and towns. The very moment this thing was started all those interests would come in and say, "You do not want the Government to go into that sort of business," and the development of Muscle Shoals would be postponed for a couple of years more, and maybe longer.

Government management and operation was tried at Muscle Shoals. The project lay there neglected, and your party authority recommended that it be abandoned. A committee of the House went so far as to report that it should be junked. I never have been able to understand just why that committee made such a report. There is not a single scintilla of creditable testimony that would warrant such a report. It has been suggested that that report was made in the interest of the Alabama Power Co.; that the Alabama Power Co. wanted the Government to think it was a worthless project, and had the idea that they could buy it and get control of it for a song after a year or two. We do not intend that it shall be disposed of in that way. Here is a man who has vision and means for completing the great work mapped out in his mind. He will make that section of the country to blossom as the rose. Why should we not permit him to carry out his plan?

It ought to be the desire of this administration and of every other administration to build up, and not to tear down. It ought to be its purpose to give people employment, instead of doing that which will keep them out of employment. What would Henry Ford do if given this project? He would go down there and use that water power to operate those nitrate plants and make fertilizer in time of peace, and sell that fertilizer to the farmers of America at half the price they are paying to-day. What a blessing that would be in the form of millions of dollars saved every year to them.

What else would he do? He would give employment to thousands of men and women.

He would build up an industrial city in the Tennessee Valley at Muscle Shoals.

What else? The completion of that project would make the river navigable for miles and harness and use to splendid purpose this water power, which is now going to waste.

What else would be accomplished? We would save millions of tons of coal each year by the use of this water power for the making of fertilizer. There are so many blessings and benefits to come from this project completed and in the hands of this man Ford, who would literally make things hum at Muscle Shoals.

Mr. President, I just want the Senate and the country to know that in my judgment any movement now to prevent Henry Ford from getting Muscle Shoals is a block in the way of the development of that great and potential project. If these interests are strong enough to keep action from being had here in favor of Ford operating this project, what would they do if Ford should be eliminated, against the Government going into business in competition with them? Everybody knows what would happen.

Nobody is going to be deceived about this thing. The truth of it must be and it shall be known to the country. Mr. President, I had thought that some lessons would be learned from the recent election. The friends of Henry Ford in this development of Muscle Shoals condemned every man who voted against this project in the House before the election, and who stood in the way of its passage, and a good many of them were defeated. Their stand on this matter contributed to their defeat.

So, Mr. President, I want to say again in conclusion: Here is an opportunity to harness and utilize to the great advantage of the people the waters of the mighty Tennessee. The dam is now going on to completion, and here is a man who offers to take it over, lease it for a period of 100 years, pay for its upkeep, and at the end of that time he will have paid back to the Government more money than the whole thing cost at the outset.

What will be done during that time? He will have operated this plant, furnishing fertilizer to the farmer in time of peace and nitrates to the Government in time of war. The Government can take these plants over at any time it needs to operate them to make nitrates. That is a wonderful thing in itself. In peace time they would manufacture fertilizer, which will increase the productivity of the soil, which will help to supply in abundance food and clothing to people here and in lands beyond the sea.

It will conserve the coal supply and give employment to people who are now idle.

Mr. President, it seems to me this project is worthy of the earliest consideration of the Senate, and that we ought to pass favorably on this proposition and permit Henry Ford to have Muscle Shoals. Such action would bless and benefit more people than any other disposition that can be made of Muscle Shoals.

Mr. LADD. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution passed by the American Legion at their New Orleans meeting with regard to the disposal of the Muscle Shoals plant and stating what they believe are the principles that should be the guide in its disposal and utilization for the benefit of all the people. I also ask that the resolution be referred to the Committee on Agriculture and Forestry.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

Resolution passed by American Legion in national convention assembled at New Orleans, La., October 20, 1922, on reclamation and national defense.

Whereas at the beginning of the World War the United States Government was brought to a realization of the fact that it was wholly dependent upon the Chilean nitrate beds and German war-built nitrogen plants for its supply of nitrogen, which is absolutely necessary for the manufacture of high explosives; and

Whereas the said United States Government did thereupon appropriate large sums of money for the erection and operation of nitrate plants Nos. 1 and 2 at Muscle Shoals for the manufacture of nitrogen in large quantities by extracting same from the air, which said plants were completed and successfully operated just prior to the armistice, or just after, and are the only air-nitrogen plants in the United States of America; and

Whereas the above-mentioned plants have not only been left inoperative since the war, but have constantly fallen into a state of deterioration, at an expense of many thousands of dollars annually to the taxpayers of this country, while similar air-nitrogen plants in Germany were speedily converted so as to manufacture cheaply nitrogen fertilizers for the enrichment and reclamation of the arid farm lands of Germany, which has proven to be an untold blessing to the people of that country; and

Whereas we believe that the continuance of our dependence upon foreign countries for the necessary supply of nitrogen for fertilizers in time of peace and for explosives in time of war is not only an unspeakable humiliation but is positively perilous from the point of view of the national defense: Now, therefore, be it

Resolved (1), That we, the American Legion, in national convention assembled, do hereby call upon the Congress of the United States, upon the assembling of same, immediately to take up and act upon the measures pending in Congress or that may be introduced immediately upon the reconvening of same on the subject, and to determine upon a definite fixed policy as to the disposition of same; and

(2) In determining upon the disposition to be made of said properties they be governed by the following principles, which we believe to be fundamental, namely:

(a) No policy or plan should be accepted which does not provide for the operation of said plants in time of peace and the manufacture of fertilizer, and the test for acceptance of any offer should be the amount of fertilizer proposed to be manufactured;

(b) No plan or policy should be adopted which is calculated to introduce Federal operation of the project;

(c) The fertilizer production at Muscle Shoals shall have preferred supply of power in time of peace;

(d) No plan or policy should be adopted which does not assure the Government that a research or experimental department will be maintained and conducted in connection with the plants for the purpose of keeping up with the most approved methods of nitrogen production, and that in the event of military emergency the said plants will be made available to the Government at the call of the Secretary of War for the manufacture of nitrogen for explosives.

(3) That the national legislative committee of the American Legion be directed to use all possible legitimate efforts to the end that the Congress of the United States immediately enact such legislation as aforesaid.

This is to certify that the above resolution on reclamation and national defense was passed by the American Legion in national convention assembled at New Orleans, La., on Friday, October 20, 1922, and is a matter of official record.

[SEAL.]

LEMUEL BOLLES,
National Adjutant American Legion.

Mr. NORRIS. Mr. President, the Senator from Alabama has repeated a statement in regard to fertilizer which he has so often before repeated that it may be almost useless to deny it now. He said several times during his remarks that turning the Muscle Shoals property over to Henry Ford was to put fertilizer in the hands of the farmer at half the cost. There is no such proposition. There is no such promise. I defy the Senator or anybody to put his finger on any provision of the Ford offer that guarantees anything of the kind.

Mr. HEFLIN. Mr. President—

The PRESIDING OFFICER (Mr. SUTHERLAND in the chair). Does the Senator from Nebraska yield to the Senator from Alabama?

Mr. NORRIS. I yield.

Mr. HEFLIN. The Senator knows that I made no such statement. I said that Mr. Mayo said they would be able to sell fertilizer to the farmer at half the price the farmer was paying for it now.

Mr. NORRIS. Mr. Mayo did not say that, even.

Mr. HEFLIN. He said it in hearings in the committee room.

Mr. NORRIS. No, Mr. President. The Senator has left the impression—

Mr. HEFLIN. I assert that he did say it.

Mr. NORRIS. I will take the record for it if the Senator will let it stand that way.

Mr. HEFLIN. I assert that he used practically that language in the hearing, that they intended to sell it to the farmer at about half the price he has to pay for it now.

Mr. NORRIS. No; there is no such guaranty by anybody. If there is such a guaranty, then it must come in Henry Ford's offer. He is not bound by anything but that, and there is no such guaranty that by any construction of the human language can be construed to mean it. I am not complaining because there is not such a guaranty. Of course, Mr. Ford would not make that kind of guaranty, because he does not know, and no other living man knows now, whether they are going to be able to do that or not. I have not any doubt that fertilizer is going to be reduced in price.

If it had not been for the Ford adherents on the Committee on Agriculture and Forestry we would now have on the calendar of the Senate a bill which would have provided for the greatest investigation and greatest development of the fertilizer proposition that has ever been known in the history of the world. But because of the opposition of the Senator from Alabama and the other Ford adherents, they refused even to consider the bill, and they had enough votes to prevent the committee from taking it up. The bill which the Ford adherents, by combining with those who are opposed to any development, succeeded in temporarily killing would have provided for a fertilizer investigation and development that would have made everything connected with Mr. Ford's proposition "look like 30 cents." As I said before, there never was such a tremendous proposition for the expenditure of money and time and scientific research, for the development of fertilizer for the benefit of the American farmer and the farmers of the world, than was contained in that bill which the Ford people have been fighting.

More than that, they speak of the work that is going on down at Muscle Shoals. It is a historic fact that the Ford people were sufficiently strong in this body and in the House to absolutely prevent the development of that great work down there from the 1st of July until the 1st day of October of this year.

The Senator said that the committee which went down there was impressed with the fact that it ought to be developed, and that is true. There was no dissension, so far as I know, on that proposition. Probably there would have been a difference of opinion if the Government had not already invested considerably over \$100,000,000 in its development. There is nothing to hinder Henry Ford from going to any of a dozen places on the Tennessee River or any other river and commencing the development of water power under the general law as it now stands. But he does not want that. He wants to take what the Government has partially developed, where the taxpayers have spent about \$125,000,000, and start there with practically a gift from the taxpayers of the United States, and then to get a lease for 100 years, such as has never been granted and can not be granted under the general law to any man or any corporation.

At whose expense is that to be done? The Senator said Ford would build up a city down there. I have no doubt of that, but who is going to pay for that great development? The taxpayers of the United States, not Henry Ford. He is going to develop a great water power down there, true enough. It is partially developed now. But who is going to pay for it under Ford's proposition? The taxpayers of America would pay for it. Ford is going to have a lease for 100 years. He will finish the dam. But who will pay for it? The taxpayers.

The Senator said that Ford is going to contribute a sum of money which, at the end of 100 years, will repay what the Government has put into it. If one would place \$100 out at 4 per cent interest and somebody would compound that every six months and add it to the \$100 and keep it up for 100 years he would have an amount of money that would scare him to

death if he could live that long to see it. The evidence shows and the computations made by experts show that giving this corporation which Henry Ford proposes to organize credit for every dollar that it pays on the day that it pays it, it would amount to giving him money for 2.85 per cent out of the Federal Treasury for 100 years' time. If the taxpayers of the United States want to do that, then I do not understand them. I do not believe they want to do it.

How old is Henry Ford? Does anybody know? He is 60 or perhaps a little more. He is going to organize a corporation with a capital stock of \$10,000,000. It is that corporation and not Henry Ford with which the Government deals. He binds himself, his heirs and executors, to what he has agreed to do in the contract, and that is to organize that corporation. When he organizes it with a capital of \$10,000,000 he has complied with his proposition. He is not liable any further. Giving him credit for all of the good qualities that are claimed for him by anybody, I have never yet heard anyone claim that he is such a superhuman being that God is going to let him live 100 years to control his corporation.

When the farmers of America understand the iniquity of this Ford proposition they will rise en masse and condemn it, and they will condemn any man who stands for it. Ford's proposition to develop this waterway, to finish the dam at public expense, on which the Government is working now, gives to him, outside of the water power necessary to operate nitrate plant No. 2, absolute fee to all property there in the shape of power that he would develop. By the payment of \$5,000,000 he is to be given fee title to all property down there, to two towns paid for by the taxpayers of America, property that cost us more than \$100,000,000, with macadamized streets, electric lights, waterworks, sewage disposal, and modern houses—two towns in absolute fee simple—and then he is to be given another town with a lot of land connected with it for 100 years without the payment of a cent, without the payment of a dollar. That power will belong to the corporation.

I have no doubt they will build up a city there, but there is no guaranty that even that city which springs up right there will be able to get one kilowatt of electric power from the water that is running downhill in plain sight and plain hearing of the town itself. It will belong to the corporation. There is no secret about it that it is going to be utilized by the corporation for its own benefit in manufacturing purposes. That great power is there if developed properly, but the bill which the Ford adherents helped to kill temporarily was a bill which provided that the power should be developed; that storage reservoirs should be built clear to the source of the Tennessee River and its tributaries, making the most complete development of water power on a stream ever undertaken by anybody or any government anywhere in the world. The secondary power would have been converted into primary power. It would have made the stream navigable. It would have controlled to a great extent the flood waters of the Mississippi River farther down. All that was involved in the bill which the Ford people are fighting. All that, Mr. President, was involved in the bill which would have given navigation, flood control, development of power, to all of the people instead of giving the two dams, which are only a partial development, to one corporation without any regulation by either State or national authority. There is a difference between the two propositions.

Mr. President, I can not understand how anyone who wants to help the navigability of the Tennessee River, how anyone who is interested lower down in the control of the flood waters of the Mississippi River, how anyone who wants to develop the power of our navigable streams, can fight a proposition of that kind. The power development then, instead of being given to one corporation with one city located at Muscle Shoals, would be distributed over a dozen different States of the Union. South Carolina would get some of it, as would Mississippi and Alabama. New Orleans would be supplied with power from that source. It would be the most wonderful supply depot of electric power anywhere on earth. On the other hand, it is said that Ford will complete the two dams. His corporation has not even made a proposition that they will ever build a dam for flood control, that they will ever build another dam anywhere to help make the flow of the stream the same at all times of the year. They have no such broad comprehensive scheme. They are to construct the two dams at Muscle Shoals but we are to pay for the construction.

I repeat, if we shall give Mr. Ford credit for every dollar that he pays it will return to the taxpayers of America less than 3 per cent on the money which has been expended and is to be expended from the Federal Treasury. There is the difference between the two propositions. If the bill is defeated, if that wonderful development of the Tennessee River

is prevented, it is going to be because the Ford adherents in the Senate and in the other House are determined to defeat it.

I have never said that Ford would not be able to cheapen fertilizer. With 24 per cent money, in 100 years he ought to be able to do so; when we are turning over to him \$125,000,000 worth of property for \$5,000,000, he ought to be able to do it.

What are we going to turn over to him? One nitrate plant, as complete as any in the world, which cost between eighty million and ninety million dollars—indeed, I think a little over \$90,000,000—stands down there now complete. We constructed it as a war measure. If we ever become involved in another war we should require it, or we should require something like it somewhere else. Even that would not be enough to supply our Army. Now, when the war clouds have passed away, why shall we turn over this plant for a song to a corporation? The Senator says that in case of war we should get it back. That is true enough; but we should not get it back for \$5,000,000, the price it is proposed that he shall pay for it. If the proposition even contained a provision that in case the Government desired to take it back it could take it back at what the Government let him have it for, it would be very different; but in such a case we shall not only have to pay the corporation the full value of the plant but we shall have to pay them damages for interfering with their business, if we ever do take it back.

Mr. President, I should not have been advocating in this Congress the wonderful development which I have advocated in the Tennessee River if it had not been for the fact that the Government has already expended so much money on it. We made that expenditure as a war measure, as we would in the construction of a battleship, but in this case the plant has a peacetime usefulness as well as a war-time usefulness. It is better in that respect than a battleship, because during peace times we can use it for the purpose of manufacturing fertilizer, or at least we think there is a fair chance of being able so to operate it that fertilizer may be more economically produced. Not a single scientific man, however, has staked his reputation on the proposition that we shall be able thereby to cut the price of producing fertilizer in two; it is still a question of experiment to a great extent.

Now, let me tell Senators of another thing which is down there. Nitrate Plant No. 1 cost the Government six million or seven million dollars; it was erected for the purpose of getting nitrate out of the air by what is known as the Haber process. That was a failure, but the building is there, the engines are there, the machinery is there. Much of that machinery will have to be scrapped; but the plant affords the greatest opportunity and the greatest opening, scientific men will agree with me, which is presented to mankind anywhere in the world for experimentation and development of the process of getting nitrate from the air by what is known as the Haber process. If the bill which the Ford people have succeeded in blocking had been passed, under it the Government would have taken that plant which it now owns, taken the old machinery out of it, and put into it machinery which it is now known will enable nitrates to be obtained from the air by the Haber process. It would have afforded one of the greatest experimental propositions that has ever been known to man. It may be a failure; we can not promise that it will be a success; but an adequate supply of fertilizer is one of the most important questions now before the American people or, for that matter, before the civilized world; and it is going to be more important year after year. There are millions and millions of tons of fertilizer in the air which we breathe, and the question is, will human ingenuity be such that we shall be able to get it out of the air at a reasonable price? We must spend money in order to ascertain that. Nobody now knows for a certainty whether the experiment will be a success. We know, however, that we can obtain it; we know that we can get nitrates from the air in large quantities; and in case of war we should not care so much for the cost. We know also that at the present time the cost would not be so reduced that the present price of fertilizer would be greatly lowered, but we hope to lessen the cost of its production. Whoever does the work expects to improve the process; and I have sufficient faith in the ingenuity of the human mind, in the American scientific men who I believe are going to do the work, to be sanguine of its success. It is a work of vast magnitude; something in which all the people regardless of where they may live or what their station in life may be are interested; for the time is fast approaching when we must have fertilizer or the necessary production of food in order to enable human beings to live will be seriously crippled.

I believe we are going to meet the difficulty by the proper investigation and experimentation; but I would not be so reckless as to say to the Senate and to the American people that even if the bill to which I have been referring be passed we shall be

able to accomplish that object; that is a matter which is yet in the unknown future; but if there is such a thing as getting the benefit from having made the development it will not come from the Ford proposition but from the passage of the other bill. That bill will do a thousand times more in the way of investigation than Ford's proposition contemplates.

Mr. HARRELD. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Oklahoma?

Mr. NORRIS. I yield.

Mr. HARRELD. I should like to ask, Is it not a fact that Mr. Ford's proposition limits the quantity of fertilizer that he will make to the capacity of plant No. 2?

Mr. NORRIS. Yes; that is all. He could make more if he wanted to, but he has not guaranteed to make any more.

Mr. HARRELD. Does not this proposition limit his obligation to that amount?

Mr. NORRIS. His obligation is limited to that quantity.

Mr. HARRELD. He would not have to use any of the power that is generated by either of these dams to make fertilizer in excess of the capacity of plant No. 2?

Mr. NORRIS. No.

Mr. President, if we are fair, I think we can all agree with each other that we are anxious to promote the production of fertilizer. The bill of which I have spoken puts fertilizer, navigation, flood control, and hydroelectric power all together; they are interlocked; they help each other. The dam that holds back the flood waters and prevents damage in the Mississippi also equalizes the flow over all the dams that are below that dam and converts secondary power into primary power. When that can be done it is a wonderful thing. Not only does it do that, however, but the same dams, with a little extra expense, will have locks in them which will provide for the navigation of the stream. The two dams that are proposed to be built by Ford will extend navigation to some extent, but, compared with the other scheme, the result attained will be but a drop in the bucket.

Mr. President, I had not expected to speak on this subject; I did not know that the Senator from Alabama was going to repeat what, in my judgment, are statements that are not borne out by the Ford proposal; I do not care to take the question up now; but I could not remain silent and permit these statements to go without a reply. It seems to me, Mr. President, if the great South wants to develop her resources, as I want to see them developed, she ought to lend her assistance to a proposition that will develop the entire Tennessee River to its maximum for power, for navigation, and for flood control, and that the power so developed should not be turned over to one corporation without any regulation, but it ought to be distributed over as wide an expanse of country as possible.

I have often heard from one of the advocates who is supposed to represent one of the farm organizations of the country the statement made that if the Government will turn the Muscle Shoals project over to Ford and pay him for building the dam it will help the washerwoman, that she will get cheap power to run her washing machine. Absolutely the reverse is true; there is no chance for the poor anywhere to get the benefit; but the power will go to enrich a corporation. There will not be a kilowatt unless that corporation consents to it that will ever light a street lamp, that will ever turn an electric washing machine, that will ever turn an electric wringer, that will ever toast a piece of bread, that will ever do anything for the benefit of anybody except that corporation. It will turn their wheels; it will do everything that will bring in money to them; and it will be absolutely unregulated. Nowhere, from any source whatever, if that contract is agreed to by the Congress of the United States, will there be any regulations upon the corporation.

So, in the first place, the public will not get any of the power, but it will all go to one corporation and to one locality. There will be a city there, I think, and there ought to be. I do not know how large it will be, but it will not be nearly so large as the real estate speculators think it will be. They have already started a town extending some 8 miles in some directions and are offering the lots for sale now. The project when completed should develop to a great extent all that section of the country. If the river is canalized, and the dams constructed, there is not any doubt that it will do so, but, in order to develop it properly and to have from public property the power of navigable streams distributed over just as wide a scope of the country as possible, in order to give everybody, rich and poor alike, the benefit of it, we will have to reject the Ford offer.

Mr. HEFLIN. Mr. President, I never make on the floor of the Senate a statement which I think is a fact without knowing what I am talking about. I was stating from memory what Mr.

Mayo had said. I had asked him a question, and his answer warranted me in saying what I did a moment ago. I asked Mr. Mayo and I am now going to read from the hearings. I said to Mr. Mayo:

I understand it is the purpose of Mr. Ford to manufacture fertilizers cheaper, so that the farmer will be able to buy fertilizers cheaper than he can buy them now under the trust's control. Is not that the purpose?

Mr. MAYO. Well, offhand, we think we could make fertilizer at about half the price it is sold for to-day.

That is the statement I made. The Senator from Nebraska said that there was no foundation for a statement of that sort. I am sure that he had forgotten the testimony when he made that statement.

Mr. NORRIS. Mr. President, may I interrupt the Senator there?

Mr. HEFLIN. Certainly.

Mr. NORRIS. I am sure the Senator has forgotten the testimony. What he has read does not bear out the Senator's statement in any degree. The Senator might have misspoken himself, and probably did, but if he will read the testimony which was taken down by a reporter he will find a much broader statement was made than he has indicated. What he has read does not contradict what I said. That is not Ford's contract; nobody will claim that Ford or any proposed corporation is bound by that testimony. There is nothing of that kind in his proposition.

Mr. HEFLIN. I never once said that it was in the Ford contract. I said that his chief engineer, Mr. Mayo, was explaining to us what they intended to do. There is Mr. Mayo's statement in the printed hearings that they thought they could make fertilizer for half the price it was selling for to-day. That was my statement to the Senate. That is the statement that I stand upon.

Mr. President, the Senator from Nebraska is in distress because he fears that the Government is about to give something to Henry Ford. He complains that Ford would be getting the use of the money invested at Muscle Shoals for about 2½ per cent. I want to remind the Senator from Nebraska that the ship subsidy bill that has just passed the House will, if it is enacted into law, permit the Ship Trust to borrow money from the Government for 2 per cent.

Mr. NORRIS. Mr. President, may I interrupt the Senator there?

Mr. HEFLIN. I shall be glad to have the Senator interrupt me.

Mr. NORRIS. I am opposed to ship subsidy. I suppose, from the way the Senator is backing up Ford to get money at 2½ per cent, that he is in favor of ship subsidy.

Mr. HEFLIN. Not at all; but I am just reminding the Senator—

Mr. NORRIS. Why does the Senator favor a subsidy to Ford's corporation, not to Ford, and oppose it by way of ship subsidy?

Mr. HEFLIN. I am reminding the Senator that gigantic operations are going on before his very eyes and all around him, and I have not heard him open his mouth against this ship-subsidy plan so far. When they are undertaking to squander a merchant fleet that cost the Government \$3,000,000,000 and turn it over to the Ship Trust for \$200,000,000, it is high time the Senator was using some of his eloquence and brilliancy in combating such a measure as that.

Mr. NORRIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Nebraska?

Mr. HEFLIN. Yes. I am glad to yield to the Senator.

Mr. NORRIS. The Senator can not put me in the attitude of supporting ship subsidy, either now or at any other time. He says I have not opened my mouth. I have many times opened my mouth, but my mouth is not so big and so the Senator did not see it.

Mr. HEFLIN. I am talking about the opening of the Senator's mouth on this subject recently.

Mr. NORRIS. I want to call the Senator's attention to the fact that from the figures he has just given as to the ships that are going to be turned over in the ship-subsidy proposition, the ship men are paying a larger per cent to the Government of the United States in proportion to what the Government paid than the Ford corporation is paying for the property it gets down at Muscle Shoals.

Mr. HEFLIN. No, Mr. President.

Mr. NORRIS. Oh, yes. Just let the Senator figure it out, and he will find that it works out that way.

Mr. HEFLIN. Not at all. The Senator is absolutely wrong.

Mr. President, the ship subsidy will benefit a few shipowners. The people of the United States are to be taxed to put money into the pockets of the Ship Trust. The Government ships are to be squandered to the Ship Trust, and the Government then is to pay the Ship Trust to operate them. Then the Government is to loan money to the Ship Trust, if it wants it, at 2 per cent. All this is to be done in the interest of the Shipping Trust of the United States; but when we come to the millions of farmers in the West, the great agricultural army of the Nation, the wage earners, amounting to millions, their call in behalf of Henry Ford is to be ignored.

Here is a project down by the Tennessee River, with nitrate plants constructed when the war was at high tide, constructed at considerable cost, it is true. These plants were standing on the riverside idle, and a dam nearing completion was there, and the whole thing was about to be abandoned upon the recommendation of a committee going down from the Republican House of Representatives to inspect a place that the Senator now says is so valuable. Who inspired that report against Muscle Shoals? What sinister interest in Wall Street or elsewhere expected the Government to come away from Muscle Shoals, and, after two or three years' time, say: "Here is a report that says it is junk; we will give you a million dollars for it, or two millions, and take the project off your hands"? Some things about that need to be explained.

Here comes a man, when he reads that report, who says in substance: "From what I can hear of Muscle Shoals, such a course would be an outrage on decency and a travesty on justice. I will go down there and take with me a man in whose judgment the whole people have great confidence"; and he takes the wizard of the electrical world, Thomas A. Edison. They go down and look at it, and marvel at what they see—this water singing the song of wasted strength as it winds its way to the sea because of maltreatment and neglect on the part of the Republican Party. This man Ford says: "I have the money. If they seek to junk this thing, I will not permit it to be done if I can help it. I will give \$5,000,000 for these two plants, standing idle, and one of them out of commission. I will take it over, and if the Government will complete this dam—it ought to; it has gone on until it is nearing completion—"and make this river navigable for miles, I will take it over, and I will build on the banks of this river an industrial city, and I will bring people here that they may earn a livelihood in this great Tennessee Valley, and I will give labor to people who are walking the streets in your industrial cities, half clad and hungry." Senators, is not a purpose so worthy entitled to our enthusiastic support?

These in substance were the purposes that he had in mind. He said: "I will harness that river, and I will make fertilizers, and I will relieve the downtrodden farmers of America from the high prices they now have to pay." I know that the Senator from Nebraska sympathizes with them, but I never saw his judgment so much at fault in my life as it is upon this particular project, where the interest of the farmers is involved. They are being held up now on every hand. Money sufficient to carry on their business is denied them. Credits are exceedingly difficult to obtain. They are forced in many instances to sell their products below the cost of production. They are handicapped and hand tied; and here, on the Ford offer, they are held up by the fertilizer concerns of the country.

Ford promises cheap fertilizer to the farmer in time of peace and nitrates to the Government in time of war, and yet the Senator from Nebraska seems to see no good in the Ford offer!

Mr. President, we are going to fight this thing to a finish. The people are going to know the truth. I know—and we are getting up some of the facts on it now—what big concerns are trying to throttle action upon this measure in this body and in the other body, too. No half-hammered measure, seeking to deceive people, is going to be permitted to deceive or mislead them. This issue has to be fought out in the open, and we are going to have the votes to do it. Why not let us do it now?

I did not attend the progressive conference the other day. I got the impression from some of the newspaper notices that it was in the interest of a third-party movement. I have no sympathy with a third-party movement. I am a Democrat, an enthusiastic, and I believe that the Democratic Party holds in its concept of constitutional government a right solution for all the questions that vex the people of this country.

I believe in its principles, and I believe that the Democratic Party, when properly supported by progressives, can work out these problems to the good of all the people. We have done it; we can do it again; but I want to say to those who do favor progressive legislation that I will support all just and helpful

progressive measures. I will do that. It makes no difference who introduces the bill, whether he be a Democrat or a Republican. I am for all measures that seek to deal fairly and enforce the laws of justice.

I probably made the first suggestion on this floor that led to the formation of a farm bloc in the Senate when I said that the Republicans from the West, by joining with the Democrats from the South, could help us to revive the War Finance Corporation. After that suggestion Senator Kenyon came over and discussed the matter with me, and he called the first meeting of our forces, and I said at one or more of those meetings: "There is no politics in this. It is a matter of business. The South is in distress, pillaged and plundered by deflationists. The West is in distress, pillaged and plundered by the same band of plundering marauders. We ought to put our strength together, give deliverance to these people, and revive the War Finance Corporation. We can do it, and we ought to do it." So we cooperated, and we brought about results, and that legislation did a great deal of good to the South and the West. It raised the price of the farmers' cotton 10 cents a pound.

I am in favor of voting in the future for measures that will do things like that, and this Henry Ford measure is one of them. It ought to be the intense desire of every man who is a progressive, who has any of the instincts of the progressive in him, to put his shoulder to the wheel and see that this matter is driven through. Good will come of it, not only to Henry Ford, as the Senator says, but to all the people of the country.

The Senator says nobody will be benefited but Henry Ford. Why, Mr. President, Henry Ford is a very wealthy man now. He is a very rich man. He wants to do good with his wealth. There are, as I said here once before, a few men like that in the world. He is not in politics, and you can not attack his motives. He brought down the price of the Ford car within reach of the common man; and there are thousands of men and women riding in the rural districts of America and in the villages and towns in cheap Ford cars who otherwise never would have known what it was to ride in a vehicle of that kind. The other automobile makers scolded and criticized Henry Ford; they denounced him because he brought the price of automobiles down. They said: "You can sell them for \$1,500 or \$2,000 and make more money"; but he said, "I want to put them within the reach of the plain people. I want them to enjoy some of the comforts and conveniences of life." So Henry Ford expended his millions to reach this class, pillaged and plundered so long by sinister interests, and thousands of them kept in the ne'er-do-well class. They would not let them have enough money or sufficient credits to carry on business to make that business prosperous. Under Democratic rule we unloosed those instrumentalities, and the people having money with which to do business commenced to get on their feet. They got a little money, and Henry Ford brought down the price of Ford cars so that they could buy them and ride in them. Now he is moved by the same motive to free the farmers from the clutches of the fertilizer concerns of the country.

The Senator from Nebraska went so far as to try to defend the Fertilizer Trust, saying there was no trust, and he said they had a man over there before the committee who was supposed to be the head of it, and that I did not ask him any questions.

Mr. NORRIS. Was not that true? The Senator did not ask him a question. I got him there on purpose so that the Senator could develop the fact if there was a Fertilizer Trust. I did not say there was none; I said, "I do not know." The Senator has said there was so often that I gave him an opportunity to produce the evidence, and he did not do it. I do not know anything about it.

Mr. HEFLIN. Mr. President, the farmers around the country say there is a Fertilizer Trust. They pass resolutions in the South, and some in the West, denouncing the Fertilizer Trust and the treatment of the farmers by the Fertilizer Trust, and the Senator says now that he wanted me to develop the case against the trust by the testimony of the individual at the head of it. Now, think of that—a trust magnate, the fellow who engineers the thing that sucks the lifeblood of the farmers of the country and makes him millions of dollars—expecting him to tell how it was done and to plead guilty to engaging in crooked conduct.

Mr. President, I remember now the witness he mentioned. He was not on the witness stand long. I knew that he would not tell anything against himself and his trust. And if he had said until he was black in the face that there was no trust I

would not have believed him. The farmers say there is a trust. Why is it that fertilizers are kept up at sky-high prices? Why is it the farmers are bound up in these mortgages and waive notes, so that there is no escape from the pains and penalties of these oppressive prices? Of course there is a Fertilizer Trust. We may not be able to get after it during this administration, but thank God the time is just two years off when we will get after it. We started in that direction the last election, and we are going to finish the job two years from now.

Mr. NORRIS. If there ever was a Fertilizer Trust, it was in operation for a great many years, and why was nothing done about it during the Wilson administration?

Mr. HEFLIN. We broke up a good many trusts. The Republican Party had been in power almost 50 years when we came in, and it took the Democratic Party a long time to undo the devilment the Republicans had done. We did much, but could not do it all in eight years' time; but you fooled the people, and they said they wanted a change.

Mr. NORRIS. I do not blame them.

Mr. HEFLIN. A great big husky farmer out in the Senator's State was one of them. They had a picture of him on a placard and represented him as saying, "We want a change, and we are going to have it." Then, after the Republican Party had been in power about a year and a half, they had a picture on the other side of the placard of the same fellow, with his features all distorted and twisted, saying, "A change! We got it—too much." [Laughter.] That is what happened. They got the change, and got it too much.

What does Ford propose to do? He offers to sell fertilizer to the farmers at 8 per cent profit on the cost of production. Mr. President, I am satisfied that to-day there are fertilizer concerns in this country that make 50 and 75 per cent profit on the farmer. God only knows how much profit some of them do make. Here is Ford specifically setting out that he will make a profit of not over 8 per cent. That is a fair proposition. His chief engineer says that in his opinion they can make fertilizers at half the price the farmer now pays for them. Mr. President, I submit that that makes out a good case for Ford and a good case for the farmers, for it will free the farmers from the combination of fertilizer concerns in the country.

The Senator said that we are not going to use that water power to help the washerwoman who lives away from Muscle Shoals. I submit to the Senator, while he is giving so much serious concern now to a washerwoman away out there somewhere in the meadows of his imagination, I would like to have him come down to a concrete proposition and have some sympathy for the millions of farmers and farmers' wives and children in my section who are held up and robbed every year by the fertilizer concerns of the country. I submit to the Senator that if Ford is permitted to use this power at Muscle Shoals to make fertilizer, the Alabama Power Co. and other power companies can use their power in serving the purposes that he discussed awhile ago.

Mr. NORRIS. Mr. President, will the Senator permit me to say a word?

Mr. HEFLIN. Certainly.

Mr. NORRIS. If the Senator will devote his energies and his eloquence to getting the Ford people to support the bill I have tried to get through, we will help the Alabama farmer ten thousand times more than the Ford proposition if carried out would help him. We will furnish him fertilizer at a price which does not include even an 8 per cent profit.

Mr. HEFLIN. Mr. President, the Senator can tell that to the marines. [Laughter.] Of course, the Senator thinks that. I am sure that he thinks that, but I am not responsible for that. It is as absurd and ridiculous as it would be for a man to undertake to bounce from the sidewalk of Washington without wings and fly to the moon. The idea of giving fertilizer to the farmers under his plan is at least amusing. Nothing will come out of his plan; I might just as well be frank about it. I believe, and I do not think the Senator knows it, probably, that there are interests encouraging his bill now which, the minute the Ford proposition was out of the way, would choke his bill to death.

Mr. NORRIS. If the Senator, with his Ford men, will come to my relief, I know we will have a majority in this body. They can be counted up without even putting the names on paper. The Senator knows that that is true. Everybody knows that it is true. It is because of the Ford opposition that we can not get it through.

Mr. HEFLIN. Oh, no, Mr. President; I do not think the Senator could pass his bill if we did not have the Ford bill here. I believe there are combinations and special interests enough in

this country, effective with the Republican powers that now be, that would fight his bill and kill it. We had men before the committee in the hearings, and I asked them some questions along this line, "Why are you advocating a course like that, when you have heretofore opposed the Government going into business of this kind?" They said they hated to see a private individual get hold of a big thing like the Muscle Shoals project; that we ought not to permit it—this great and wonderful project was greatly concerning them then. But let us pull the curtain aside and look at that group of Republican Members of Congress who went down there and when they came back recommended that this whole thing be junked.

Who brought this great project back from the junk pile to public consideration? Why, it was Henry Ford. Who kept it from being bartered for a song to sinister interests? Henry Ford. Who offered to use it for the benefit of millions of people? Henry Ford. Who pledged himself to build an industrial city and give people a place to live and a place to work? It was Henry Ford.

Nobody else has offered to do anything, and this stalking horse the Senator from Nebraska [Mr. NORRIS] is following is a subterfuge. He thinks his measure might accomplish something, but whenever the opponents of Ford see him rise here and earnestly contend for the passage of that measure they laugh and say, "Everything is working all right."

Mr. McKELLAR. Mr. President, as a matter of fact, the Government is in control of it to-day, and it is being rented by the Alabama Power Co. at a nominal sum, is it not?

Mr. HEFLIN. Yes; Dam No. 2 is being rented to the Alabama Power Co. at a very nominal sum.

Mr. McKELLAR. Next to owning it themselves, I suppose they prefer to rent it from the Government at a nominal figure.

Mr. HEFLIN. Certainly. They just sit back in their luxurious surroundings and say, "Hurrah for the Norris bill."

Mr. President, the Senator from Nebraska made a speech in the Senate last fall on this very subject. I was having something to say upon it at that time, and the Senator from Nebraska came to the rescue of his bill and whatever there is back of it. That speech of his was widely circulated, and I do not know who did it. I had letters from people all over my country saying that the Norris speech, which attacked the Ford offer and which they thought was not a fair presentation of the Ford plan and purpose, was being circulated through the country. Who circulated that speech? I must confess I do not know. I suppose the Senator from Nebraska, sitting in front of me, knows who had his speech printed, whether he had it done or who had it put in pamphlet form. That is a matter I think the Senate and the country are entitled to know about.

Mr. President, the Senator mournfully said Henry Ford is about 60 years old. All of these Senators who are getting up in the Senator's class resent the mournful measure which suggests that 60 years even suggest old age. I heard considerable complaint in whispers here awhile ago when it was intimated that a fellow was about ready to pass off when he was 60 years of age.

Mr. McKELLAR. I hope the Senator will not look at me when he says that.

Mr. HEFLIN. I have no reference to my young and brilliant and handsome friend from Tennessee. He is young now and a friend of the people and will remain young until he is 90 years old. But the Senator from Nebraska said that Ford may not live long, that he would operate the Muscle Shoals project while he lives. He agrees to that. But he said that Ford will not live always, and manifests great concern as to what we are going to do when Ford finally goes away. Oh, Mr. President, it is really interesting and pathetic, in a way, to see this intensely sympathetic consideration that they seem to have for Henry Ford, and what might become of the Muscle Shoals project when he is gone. It is really touching. They seem to fear that the Muscle Shoals project would not be properly looked after when Henry Ford passes away.

I suggested in the hearings, in the Senator's presence in the committee room, that Ben Franklin, who established the Saturday Evening Post, provided that the Saturday Evening Post should always be sold at 5 cents, and that is being done to-day. What is to hinder Henry Ford from saying in his will, or in the contract that he would enter into, that fertilizer should be sold to the farmer as long as this corporation has this thing leased, at not above 8 per cent profit. That can be done; of course, it can be done. If Ben Franklin could provide that the Saturday Evening Post should be sold always at 5 cents, Henry Ford can arrange for a certain price for fertilizer, and we will have it arranged to the satisfaction of my good friend from Nebraska, I trust, who has one of the most vivid imaginations that I have ever seen in operation in senatorial debate.

Mr. President, the Senator said that Ford wants a gift. I submit it would be better to give it to him and let him operate it, if he would give human beings employment and make fertilizer cheaper to the farmers than it is at present, and furnish nitrates to the Government in time of war. I submit it would be under such a situation a good thing for the Government just to give it to him outright. That would be better than the course recommended by certain Republicans, when they suggested in the House that it be abandoned, junked, thrown away.

Ford comes here and says, "I will give you \$5,000,000 for these abandoned plants, and you will still own the dam. You complete it and make your river navigable, and I will put up so much money for the upkeep of the dam. At the end of the hundred years the dam will still belong to you and you can do then what you want to do with it. My lease will be out, and in the meantime I will have operated it and furnished fertilizer to the farmers for a century." How much money would that save them? It would save them many billions of dollars in fertilizer alone.

If the Government should become embroiled in war with a foreign country, how delightful it would be to have these two nitrate plants turned over to the Government, away down on the Tennessee River, to manufacture munitions of war. How good a thing it would be to be free from dependence on Chile, and instead of paying Chile each year in time of peace for fertilizers forty-odd million dollars that money would be kept at home. I submit to the Senator from Nebraska that that is quite a good item to consider. It is a patriotic consideration.

In case of war we would be absolutely independent for our nitrate supply of all the nations of the earth. Ford offers to aid the Government in case of war. But to hear the Senator from Nebraska [Mr. Norris] speak you would think nobody was to be benefited but Henry Ford and his corporate concern; that they were going down there to feed and fatten upon the substance of the Government at Muscle Shoals, when the fact is he proposes to bless and benefit the agricultural sections. That is what he offers to do, and charge a profit of only 8 per cent on the fertilizer made.

The Government has no more idea of operating that plant and manufacturing fertilizer than it has of flying across the ocean, and I regret to see the Senator from Nebraska standing in the way of the Ford offer with a bill that has no chance of ever passing and being put in working form. I would like to have him put his bill out of the way and help us to put through the Senate the Ladd bill, which contains the Ford offer. This will be of benefit to the people.

Now, in conclusion, Mr. President, I desire to say that I in this last statement simply wanted to call to the attention of the Senate Mr. Mayo's statement supporting what I said regarding the matter of selling fertilizer to the farmer at half the price he paid when Mayo testified before the Senate Committee on Agriculture in April.

For that reason I want to urge upon the Senate and the Congress to take favorable action, and let this man who has done so much in the industrial world go down to Muscle Shoals and operate that great plant.

Who is it that is fighting Henry Ford to the death and does not want him to go to Muscle Shoals? It is the Wall Street interests. Do you know why? He went up there once to borrow \$100,000,000, I understand, from Wall Street, and he talked to them about it, and they asked him about his property. They said, "All right, Mr. Ford. We can let you have the money." Finally they brought in a man, so the story goes, and introduced him to Mr. Ford, and said to him, "This man will be your treasurer." Ford said, "Treasurer for what?" "To take charge of your business and to handle all the cash that comes in and goes out." Ford said, "Handle whose cash?" "Handle your cash." "Why," he said, "I will do nothing of the kind. I do not have to get this money from you. You can go to a climate that is a good deal hotter than this" [laughter], and he walked out of Wall Street. That is why Wall Street hates him. Any man who rises up in spite of the special governmental-privileged gang in America and so establishes himself that he can raise \$100,000,000 without bowing and crawling on his knees to Wall Street is hated by Wall Street, and before they would let him have hold of a project like Muscle Shoals they would use every power at their command to prevent it. But we have beaten Wall Street. Ford is already well established in Michigan, and if he should go down into Alabama and build a great industrial city in the Tennessee Valley along the lordly Tennessee they would fear him in the industrial world; they would fear him in the financial world. They do not want that sort of thing to happen, and they are reaching out in every way they can to nip it in the bud and to destroy every possible

chance of Henry Ford getting Muscle Shoals. But they are not going to succeed. I believe that four-fifths of the people of the United States are in favor of the Ford offer on Muscle Shoals, and they intend to see to it that their will is written into law.

SALARY AND MILEAGE OF HON. CHARLES A. RAWSON.

The PRESIDING OFFICER (Mr. LADD in the chair). The question is on agreeing to Senate Resolution 375.

The resolution was agreed to, as follows:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay out of the contingent fund of the Senate to Hon. Charles A. Rawson \$493.15, salary from November 8, 1922, to December 1, 1922, both dates inclusive, and \$459.20, mileage for attendance at the third session of the Sixty-seventh Congress, said sums being due him as a Senator from the State of Iowa.

ROY H. RANKIN AND EDNA T. VOGEL.

Mr. CALDER, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 376, submitted yesterday by Mr. CUMMINS, reported it favorably without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay out of the contingent fund of the Senate to Roy H. Rankin \$182.67 and to Edna T. Vogel \$122.67, for clerical services rendered the Hon. Charles A. Rawson, a Senator from the State of Iowa, from November 8, 1922, to December 1, 1922, both dates inclusive.

THE DIRECT PRIMARY SYSTEM.

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the RECORD in 8-point type an editorial from the Philadelphia North American entitled "The war on the primary."

There being no objection, the editorial was ordered to be printed in the RECORD in 8-point type, as follows:

THE WAR ON THE PRIMARY.

[From the Philadelphia North American, December 6, 1922.]

In the revolutions which have made and unmade the political structures of nations during the last half century there has been one dominating impulse—the unquenchable desire of mankind for self-government. Democracy is the universal goal. Even among the backward peoples of the distant east, where from the dawn of history slavish obedience to despotic authority has been an instinct, there is a growing ferment that threatens the existence of native and foreign absolutism. The advance of humanity toward democracy is a movement as resistless as the tides.

Lincoln's definition of democracy as "government of the people by the people for the people" has been embedded in the American political creed. The founders of the Republic held no such conception of government, for they limited the right of franchise to owners of property. A proposal to confer it upon men without property, not to speak of negroes and women, would not have received a moment's consideration. Yet the ideal democracy portrayed in Lincoln's memorable utterance inevitably will be the consummation of the great experiment which the founders inaugurated.

During the century and a half that has elapsed since then the franchise has been greatly extended, and at the same time the election laws have been broadened, all with a view of making government more representative. For the right of voting means nothing unless those who possess it can freely and effectually exercise it. Keeping pace with the extension of the franchise, therefore, was a demand for election laws safeguarding the rights and increasing the influence of the voter.

After growth of population had made unworkable the old New England town-meeting method of selecting public officers, the political leaders of that day arrogated to themselves the right to choose the candidates to represent different parties and policies. But this autocratic control by a small group was not long tolerated by the increasing number of enfranchised citizens. Under pressure it gave way to the somewhat more representative system of the caucus, under which a larger number of leaders and politicians participated in the selection of candidates.

This change, however, did not end but rather intensified the arbitrary control by a few. Determined opposition to the rule of "King Caucus" forced the politicians to give way again. They conceded that the party voters might name delegates to represent them in nominating conventions; but in practice the local organizations picked the delegates and the bigger bosses voted them in bunches when the convention met.

After years of experience had shown that the new method was not producing representative democracy but continued the concentration of power in the hands of a few party leaders and professional politicians, nation-wide sentiment forced further liberalization. In many States there were passed laws

regulating the primary elections; though of varying effectiveness, the essential aim of all was to decentralize power, taking it from the bosses and returning it to the party voters. Gradually control of the rules governing the primaries was taken from the leaders, strong safeguards were thrown around these elections, and the choosing of delegates was put in the hands of the voters. Eventually States took over the task of conducting the primaries, compelling all parties to participate and to make their nominations on the same day; not infrequently the requirements are more stringent than for the general elections. In many States the direct primary method extends to the selection of national delegates.

While the system of State-controlled direct primaries was being slowly evolved, a nation-wide movement for the election of United States Senators by direct vote of the people, based upon the same principle, was in progress. The election of these important officials by the legislatures of the various States, as provided by the Federal Constitution, had not only made the Senate a stronghold of reaction and privilege, but had produced scandals which brought American Government into disrepute. To revolutionize the system it was necessary to amend the Constitution and have the change ratified by 36 of the legislatures whose prerogative it was to abolish. Only a powerful and insistent public demand could have brought about such a result.

Zealous advocates of the primary laws had believed that immediately following their enactment good government would be achieved; in this, of course, they were disappointed. The politicians, on the other hand, were agreeably surprised to find that their powers had not been drastically curtailed; indeed, it was demonstrated that by their superior industry and their grip of the organizations they could turn the new method to their advantage. Yet it was not strange that the results should be inconclusive. The most liberal and carefully devised election laws can not automatically produce good government. All they can do is to provide the people with opportunity to express and enforce their demands. The rights of democracy are nullified when they are neglected, but when exercised they are irresistible.

Ten years ago the opposition of the bosses to the direct primary had virtually subsided; they still were against it as a matter of consistency, but accepted it wherever the demand was sufficiently strong. In 1912, however, events changed from acquiescence to hostility the politicians and predatory interests which then controlled the Republican Party. Their choice for the presidential nomination was President Taft, who had been elected four years before, against the wishes of the old guard, as an exponent of the Roosevelt policies, but who had surrendered to the reactionaries and deserted the cause he was elected to serve. In response to a great popular demand, Theodore Roosevelt took the field as an opposing candidate.

Virtually all the States which were under old guard domination and had not adopted the direct primary sent Taft delegates to the convention; these, together with colored delegations from the South, comprised his entire strength. In all States having the direct primary Roosevelt submitted his candidacy to the Republican voters, and was overwhelmingly chosen over Taft in every contest save one, which resulted in an even division. The Roosevelt forces entered the convention with a clear majority of the legally elected delegates. His nomination, however, would have been a fatal blow to the old guard leaders. To prevent it, therefore, they set up fraudulent contests and unseated nearly 100 Roosevelt delegates, replacing them with hand-picked Taft delegates.

Upon Taft's acceptance of the nomination thus stolen, the Progressive Party came into being, and at the election Roosevelt received such an overwhelming majority of the Republican vote that Taft carried only Vermont and Utah, with eight electoral votes. The party bosses and old guard leaders everywhere laid their defeat to the direct primary; and it is undeniable that if that means of expression had not been open to the party voters, Roosevelt would not have elected 20 per cent of the national delegates.

Since 1912 the bosses and the dwindling old guard have bided their time for a chance to destroy the direct primary or impair its effectiveness. So long as they represented only a minority of the party membership they worked cautiously, but after nominating their chosen candidate in 1916 they began organizing to wipe out the primary system. Their defeat at that election, and the warning of Roosevelt's increasing prestige, foreshadowing his nomination in 1920, caused them to defer open attacks, but following his death their propaganda became active.

A new factor of the greatest importance then came into the situation—the impending enfranchisement of women. These prospective new voters could not be classified as machine followers but were naturally independent. Virtually all the

bosses had opposed equal suffrage, and they knew that women are instinctively against their evil methods. Adoption of the eighteenth amendment had also arrayed against the primary system the liquor interests, likewise fearful of the women. And these forces, unable to prevent the enfranchisement of women, deliberately sought to nullify their voting privilege by depriving them of the direct primary system.

Iowa bosses made a start by putting through a law requiring a candidate to poll 35 per cent of the vote cast in order to gain a nomination; then they put up five candidates for the Senate, believing the vote would be so split that the choice would rest with a convention. The answer was the nomination, and later the election, of the man they most feared. Efforts were made to repeal the primary law in Indiana, but A. J. Beveridge aroused the women voters and the whole State, and the plan was blocked. Idaho enemies of Senator BORAH are striving to break down the system there. New York Republican leaders are against it. The nation-wide drive for its abolition was boldly revealed a few weeks ago in a hostile address by Secretary Weeks, who echoed the known views of President Harding. Meantime there is an incessant newspaper propaganda of deprecation.

In the face of this vicious campaign it is fortunate that Pennsylvania stands forth as a competent witness to both the deficiencies and benefits of the direct primary. Until 15 years ago the convention system enabled the State bosses to make a mockery of popular government. Adoption of the uniform primary for a long time made hardly a perceptible change, for the powerfully organized machine was able to pervert the system to its own use. But the time came when the voters made use of their right, and the result was the nomination of Gifford Pinchot for governor and of GEORGE WHARTON PEPPER and DAVID A. REED for the United States Senate. No rational person would seriously contend that under the old system three such men could have been elected to the highest offices in the State.

Election day is the outstanding symbol and triumph of democracy. On that day the Government is passed back to the people; theirs is then the absolute power to declare who shall conduct its affairs and how. Primary day is no less vital; indeed, in States where one party is dominant, it is at the primary that public officers are really selected. The voters do not always make full use of the system, but they are thoroughly aware of its supreme value as a factor in self-government, and those benighted public men and politicians who think they can snatch this weapon of civil liberty from the American people might as well undertake to abolish the ballot.

Nothing is more certain than that the party or the leadership that persistently makes war upon the direct primary will meet merited disaster. The movement toward full self-government is irresistible. There is only one surer way of starting a revolution than by resisting an impelling demand for popular rights, and that is by attempting to wrest from the people fundamental rights they have once enjoyed.

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 2 o'clock and 10 minutes p. m.) the Senate adjourned until to-morrow, Friday, December 8, 1922, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

THURSDAY, December 7, 1922.

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord God, whose guardian care extends over us to protect, to guide, and to nourish, Thou hast never left alone one human heart that came to Thee for help. Truly Thy all-embracing love gathers within its circle the world of men. O let Thy word of wisdom and Thy word of knowledge weave themselves into all hearts and may they serve as an inspiration to all right living. Aid us to put forth our own energies, and these efforts shall lift us to a higher plane. Be gracious to come to us, and may Thy instruction be childlike, simple, and human. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 1452. An act providing for establishing shooting grounds for the public, for establishing game refuges and breeding grounds, for protecting migratory birds, and requiring a Federal license to hunt them; and

S. 4037. An act to amend the grade percentages of enlisted men as prescribed in section 4b of the national defense act, as amended.

SENATE BILLS REFERRED.

Under clause 2 of Rule XXIII, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 4037. An act to amend the grade percentages of enlisted men as prescribed in section 4b of the national defense act, as amended; to the Committee on Military Affairs.

S. 1452. An act providing for establishing shooting grounds for the public, for establishing game refuges and breeding grounds, for protecting migratory birds, and requiring a Federal license to hunt them; to the Committee on Agriculture.

PENSIONS.

Mr. FULLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3275) granting pensions and increase of pensions to certain soldiers and sailors of the Civil and Mexican Wars, and to certain widows, former widows, minor children, and helpless children of said soldiers and sailors, and to widows of the War of 1812, and to certain Indian war veterans and widows, agree to the conference asked by the Senate, and that the Speaker appoint the conferees.

The SPEAKER. The gentleman from Illinois asks unanimous consent to take from the Speaker's table the bill S. 3275, a pension bill, agree to the conference asked by the Senate, and appoint the conferees. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, may I ask the gentleman from Illinois what are the points of difference between the Senate and the House?

Mr. FULLER. The bill as passed by the House is virtually a substitute for the Senate bill. It made no change in the rates proposed, but there is some difference in the phraseology. There is simply the one amendment on the part of the House, and that is virtually a substitute for the original Senate bill.

Mr. GARNER. But that does not tell us what is the difference between the two Houses.

Mr. FULLER. The difference in one respect is that the Senate fixed the age of a widow at 62 years before she would be entitled to receive an increase, and that has been left out in the House amendment. Another provision in the Senate bill extended the period of the Civil War down to some time in August, 1866, which would permit a man who enlisted even a year after the surrender of Lee to be entitled to a pension if he served 90 days after that time. The House struck that out.

Mr. MONDELL. Mr. Speaker, if the gentleman will permit, the Senate bill, as I recall, provided for a \$50 pension to the widow of a soldier without regard to the time of marriage.

Mr. FULLER. Yes. They wiped out the marriage limit entirely, and provided that if she was married before the passage of the act she should be entitled to a pension. We changed that, fixing the limitation at June 27, 1915, or, if married after that date, that she must have lived with the soldier not less than two years, and until he died.

Mr. MONDELL. Mr. Speaker, the House bill is a very liberal bill. I think we should have some idea of the attitude of the conferees on the part of the House before the bill goes to conference. If there is a disposition upon the part of the House conferees to give way to the Senate, we will have some hesitancy, some of us at least, in sending the bill to conference.

The bill as it passed the House was just as liberal, in my opinion, as the sentiment of the House justifies. As a matter of fact, there were a good many in the House who were not altogether happy about some of the provisions as it passed the House and who would be entirely against some of the Senate provisions. I should like to know something about the attitude of the House conferees in the matter.

Mr. FULLER. Mr. Speaker, I fully agree, so far as I am personally concerned, with what the gentleman from Wyoming says. I think the bill as it passed the House is a very fair and liberal measure, and I would not, under any consideration, agree to the provision that a widow who married an old soldier on his deathbed should be entitled the next day to a pension for life. Under no circumstances would I agree to that. I can

assure the gentleman that the conferees on the part of the House will insist on the House amendment.

Mr. GARNER. But you come pretty nearly doing it in the House bill in any event. I do not think any defense can be made of that provision in the House bill.

Mr. STAFFORD. Mr. Speaker, it is rather strange that we are now considering the House bill for the first time. The bill went through the House without any discussion, and now on the matter of a conference report we are discussing the respective merits of the House and the Senate bills.

Mr. KINCHELOE. Mr. Speaker, will the gentleman yield?

Mr. FULLER. Yes.

Mr. KINCHELOE. What is the marriageable date now, under the law?

Mr. FULLER. June 27, 1905.

Mr. KINCHELOE. What was the idea in extending that date?

Mr. FULLER. One idea was to prevent the great flood of special bills coming in all of the time, some of them very pitiful cases, asking for special pensions, where they were married after the date fixed by the present law. One of the great merits of the present bill as it passed the House, in my opinion, is that it will do away very largely with this flood of special bills.

Mr. KINCHELOE. Does the gentleman think that the date he fixed is much improvement on the Senate bill?

Mr. FULLER. I think it is.

Mr. MONDELL. Mr. Speaker, I think the House bill is as liberal in all respects as the bill ought to be, and the bill should not go to conference unless we can have some assurance of the outcome.

Mr. KING. Mr. Speaker, I can not coincide with the position taken by our distinguished leader upon this matter. It seems to me that the Senate bill is a good, fair, liberal bill. These old fellows are dying off every moment; thousands of them are passing beyond. Let anyone go through a soldiers' home, as I did recently in Quincy, and he will realize that practically all of them are in the hospital, but a little way from the graveyards. Why should we be impecunious and stingy?

Mr. MONDELL. Mr. Speaker, there is no difference between the House and the Senate bill in respect to the pensions for the old soldiers. We are all agreed on that. There are other provisions in the Senate bill the House objected to.

Mr. KING. I do not agree with the gentleman's position. He is not leading this proposition in the House.

Mr. MONDELL. Both bills pension the soldiers at the same rate and under practically the same conditions. But there are other provisions in the bill which have nothing to do with the men who fought in the Civil War. The House has gone quite as far in regard to those matters as it is justified in doing until we have further knowledge of the attitude of the conferees on the part of the House.

Mr. FULLER. The gentleman may have that information now. There is no question but what the conferees will insist upon the bill as it passed the House.

Mr. MONDELL. Well, with that assurance, I shall not object.

The SPEAKER. Is there objection?

Mr. BLACK. I object.

The SPEAKER. Objection is heard.

STATE DEPARTMENT APPROPRIATION BILL.

Mr. HUSTED. Mr. Speaker, I present a privileged report from the Committee on Appropriations.

The SPEAKER. The gentleman from New York presents a report from the Committee on Appropriations which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 13232; Rept. 1265) making appropriations for the Departments of State and Justice and for the judiciary for the year ending June 30, 1924, and for other purposes.

Mr. BYRNS of Tennessee. Mr. Speaker, I reserve all points of order.

The SPEAKER. The gentleman from Tennessee reserves all points of order, and it is referred to the Committee of the Whole House on the state of the Union.

REGENT, SMITHSONIAN INSTITUTION.

The SPEAKER. The Chair appoints as a member of the Board of Regents of the Smithsonian Institution, in place of Mr. Padgett, deceased, Mr. Moore of Virginia.

EXTENSION OF REMARKS.

Mr. WINGO. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by printing two of the printed statements issued by the Treasury.

The SPEAKER. The gentleman from Arkansas asks unanimous consent to extend his remarks in the Record in the manner indicated. Is there objection?

Mr. STAFFORD. Will the gentleman be a little more specific?

Mr. WINGO. One is dated September 30, 1922, and the other December 4, the ordinary general statements which the Treas-

ury issues. There is special reason why the public ought to have that in the RECORD and available.

The SPEAKER. Is there objection? The Chair hears none. The statements are as follows:

Statement of the public debt of the United States September 30, 1922.

Detail.	Amount issued.	Amount retired.	Amount outstanding.	
Bonds: INTEREST-BEARING DEBT.				
2% consols of 1930.....	\$846,250,150.00	\$46,526,100.00		\$599,724,050.00
4% loan of 1925.....	162,315,400.00	43,825,500.00		118,489,900.00
2% Panamas of 1916-36.....	54,631,980.00	5,677,800.00		48,954,180.00
2% Panamas of 1918-38.....	30,000,000.00	4,052,600.00		25,947,400.00
3% Panamas of 1961.....	50,000,000.00			50,000,000.00
3% conversion bonds of 1946-47.....	28,894,500.00			28,894,500.00
2 1/2% postal savings bonds (1st to 23d series).....	11,851,000.00			11,851,000.00
First Liberty loan.....	1,989,455,550.00	37,615,200.00		
3 1/2% bonds of 1932-47.....			\$1,410,001,050.00	
Converted 4% bonds of 1932-47.....			11,776,300.00	
Converted 4 1/2% bonds of 1932-47.....			526,570,850.00	
Second converted 4 1/2% bonds of 1932-47.....			3,492,150.00	
Second Liberty loan.....	3,807,865,000.00	506,143,750.00		
4% bonds of 1927-42.....			50,806,050.00	
Converted 4 1/2% bonds of 1927-42.....			3,250,915,200.00	
Third Liberty loan—				
4 1/2% bonds of 1928.....	4,175,650,050.00	703,122,650.00		
Fourth Liberty loan—				
4 1/2% bonds of 1933-38.....	6,964,581,100.00	619,373,550.00		
Notes:				
Victory liberty loan.....	4,495,373,000.00	2,689,372,800.00		
4 1/2% notes of 1922-23, called for redemption Dec. 15, 1922.....				872,879,550.00
4 1/2% notes of 1922-23, maturing May 20, 1923.....				933,120,650.00
Treasury notes—				
Series A-1924.....	311,191,600.00			311,191,600.00
Series B-1924.....	390,706,100.00			390,706,100.00
Series A-1925.....	601,599,500.00			601,599,500.00
Series B-1925.....	335,128,200.00			335,128,200.00
Series A-1926.....	617,769,700.00			617,769,700.00
Series B-1926.....	486,924,100.00			486,924,100.00
Certificates of indebtedness:				
Tax—				
Series TD-1922.....	243,544,000.00	4,000,000.00	239,544,000.00	
Series TM-1923.....	266,250,000.00		266,250,000.00	
Series TD 2-1922.....	200,000,000.00	18,334,500.00	181,665,500.00	
Series TJ-1923.....	273,000,000.00		273,000,000.00	
Series TS-1923.....	227,000,000.00		227,000,000.00	
Loan—				
Series D-1922.....	150,000,000.00	38,662,500.00		111,337,500.00
Pittman Act.....	259,375,000.00	211,375,000.00		48,000,000.00
Treasury (war) savings securities: ¹				
Treasury (war) savings certificates, series 1918.....	1,022,110,293.58	511,301,721.44		510,808,572.14
Treasury (war) savings certificates, series 1919.....	102,662,356.21	49,331,454.92		53,330,901.29
Treasury (war) savings certificates, series 1920.....	43,685,401.98	19,455,746.27		24,229,655.71
Treasury (war) savings certificates, series 1921.....	22,686,458.56	7,578,445.89		15,108,012.67
Treasury savings certificates, series 1921, issue of Dec. 15, 1921.....	2,193,574.05	199,259.40		1,994,314.65
Treasury savings certificates, series 1922, issue of Dec. 15, 1921.....	103,678,265.67	3,374,510.20		100,303,755.47
Thrift and Treasury savings stamps, unclassified sales etc.....	8,159,293.36	792,280.25		7,367,013.11
Total interest-bearing debt outstanding.....				713,142,195.04
MATURED DEBT ON WHICH INTEREST HAS CEASED.				
(Payable on presentation.)				
Funded loan of 1891, continued at 2%, called for redemption May 18, 1900, interest ceased Aug. 18, 1900.....				1,000.00
Funded loan of 1891, matured Sept. 2, 1891.....				19,000.00
Loan of 1904, matured Feb. 2, 1904.....				13,050.00
Funded loan of 1907, matured July 2, 1907.....				374,600.00
Refunding certificates, matured July 1, 1907.....				10,200.00
Old debt matured at various dates prior to Jan. 1, 1891, and other items of debt matured at various dates subsequent to Jan. 1, 1891.....				894,160.26
Certificates of indebtedness, at various interest rates, matured.....				10,625,500.00
Loan of 1908-18.....				317,880.00
3 1/2% Victory loan of 1922-23.....				5,856,950.00
Total matured debt outstanding on which interest has ceased.....				18,113,140.23
DEBT BEARING NO INTEREST.				
(Payable on presentation.)				
Obligations required to be reissued when redeemed:				
United States notes.....			346,681,016.00	
Less gold reserve.....			152,979,025.63	
				193,701,990.37
Obligations that will be retired on presentation:				
Old demand notes.....				53,012.50
National bank notes and Federal reserve bank notes assumed by the United States on deposit of lawful money for their retirement.....				40,142,126.50
Fractional currency.....				1,998,368.50
Total debt bearing no interest outstanding.....				235,895,497.87
Total gross debt ²				22,818,424,813.17

¹ Includes \$5,856,950 Victory 3 1/2% notes shown under "Matured debt on which interest has ceased."

² Amounts issued of Treasury (war) savings certificates of the series of 1918, 1919, 1920, and 1921 are on basis of reports of sales. Amount issued of Treasury savings certificates, series of 1921, issue of Dec. 15, 1921, includes accrued discount, and the amount outstanding represents the net redemption value. Amount issued of the series of 1922, issue of Dec. 15, 1921, is on basis of cash receipts by Treasurer, United States, plus accrued discount, and includes receipts from sales of Treasury savings stamps; amount outstanding is the net redemption value.

³ The total gross debt Sept. 30, 1922, on the basis of daily Treasury statements was \$22,812,407,791.30, and the net amount of public debt redemptions and receipts in transit, etc., was \$6,017,021.87.

Statement of the public debt of the United States September 30, 1922—Continued.

Detail.	Amount outstanding.
DEBT BEARING NO INTEREST—continued.	
Matured interest obligations, etc.: Matured interest obligations outstanding.....	\$68,942,533.01
Discount accrued (partly estimated) on war savings securities, series of 1918 ¹	122,750,374.01
Discount accrued (partly estimated) on war savings securities, series of 1919 ¹	9,532,365.31
Discount accrued (partly estimated) on war savings securities, series of 1920 ¹	3,055,894.78
Discount accrued (partly estimated) on war savings securities, series of 1921 ¹	997,005.72
Treasury warrants and checks outstanding.....	3,361,007.69
Disbursing officers' checks outstanding.....	74,395,401.83
	\$283,034,582.35
Balance held by the Treasurer of the United States as per daily Treasury statement for Sept. 30, 1922.....	256,839,729.44
Add: Net excess of receipts over disbursements in September reports subsequently received.....	989,741.05
	257,829,470.49
Net debt, including matured interest obligations, etc. ²	22,843,629,925.03

¹ Accrued discount calculated on basis of exact accrual at rate of 4 per cent per annum compounded quarterly, with due allowance for cash redemptions to date.² No deduction is made on account of obligations of foreign governments or other investments.

Issues of soldiers and sailors' civil relief bonds not included in the above: Total issue to Sept. 30, 1922, was \$195,500, of which \$144,800 has been retired.

Detail of outstanding interest-bearing issues as shown above, September 30, 1922.

Title.	Authorizing act.	Rate of interest.	Date of issue.	When redeemable or payable.	Interest payable.
Pre-war loans:		<i>Per cent.</i>			
Consols of 1930.....	Mar. 14, 1900.....	2	Apr. 1, 1900.....	Payable after Apr. 1, 1930.....	Jan. 1, Apr. 1, July 1, Oct. 1.
Loan of 1925.....	Jan. 14, 1875.....	4	Feb. 1, 1895.....	Payable after Feb. 1, 1925.....	Feb. 1, May 1, Aug. 1, Nov. 1.
Panama Canal loan:					
1936.....	June 28, 1902, and Dec. 21, 1905.....	2	Aug. 1, 1906.....	Redeemable after Aug. 1, 1916. Payable Aug. 1, 1936.....	Do.
1938.....	do.....	2	Nov. 1, 1908.....	Redeemable after Nov. 1, 1918. Payable Nov. 1, 1938.....	Do.
1961.....	Aug. 5, 1909, Feb. 4, 1910, and Mar. 2, 1911.....	3	June 1, 1911.....	Payable June 1, 1961.....	Mar. 1, June 1, Sept. 1, Dec. 1.
Conversion bonds.....	Dec. 23, 1913.....	3	Jan. 1, 1916-17.....	Payable 30 years from date of issue. Redeemable 1 year from date of issue.	Jan. 1, Apr. 1, July 1, Oct. 1.
Postal savings bonds (first to twenty-third series). June 25, 1910.....	June 25, 1910.....	2½	Jan. 1, July 1, 1911-1922.....	Payable 20 years from date of issue.	Jan. 1, July 1.
War loans:					
First Liberty loan—					
¾ per cent bonds of 1932-1947.....	Apr. 24, 1917.....	3¾	June 15, 1917.....	Redeemable on or after June 15, 1932. Payable June 15, 1947.....	June 15, Dec. 15.
Conversion 4 per cent bonds of 1932-1947.....	Apr. 24, 1917, Sept. 24, 1917.....	4	Nov. 15, 1917.....	do.....	Do.
Conversion 4½ per cent bonds of 1932-1947.....	Apr. 24, 1917, Sept. 24, 1917, as amended.....	4½	May 9, 1918.....	do.....	Do.
Second conversion 4½ per cent bonds of 1932-1947.....	do.....	4½	Oct. 24, 1918.....	do.....	Do.
Second Liberty loan—					
4 per cent bonds of 1927-1942.....	Sept. 24, 1917.....	4	Nov. 15, 1917.....	Redeemable on or after Nov. 15, 1927. Payable Nov. 15, 1942.....	May 15, Nov. 15.
Conversion 4½ per cent bonds of 1927-1942.....	Sept. 24, 1917, as amended.....	4½	May 9, 1918.....	do.....	Do.
Third Liberty loan—4½ per cent bonds of 1923.....	do.....	4½	do.....	Payable Sept. 15, 1928.....	Mar. 15, Sept. 15.
Fourth Liberty loan—4½ per cent bonds of 1933-1938.....	do.....	4½	Oct. 24, 1918.....	Redeemable on or after Oct. 15, 1933. Payable Oct. 15, 1938.....	Apr. 15, Oct. 15.
Victory Liberty loan, 4½ per cent Victory notes of 1922-23.....	do.....	4½	May 20, 1919.....	Notes with serial letters A, B, C, D, E, or F called for redemption Dec. 15, 1922; others maturing May 20, 1923.	Dec. 15; May 20, 1923.
Treasury notes:					
Series A-1924.....	do.....	5½	June 15, 1921.....	June 15, 1924.....	June 15, Dec. 15.
Series B-1924.....	do.....	5½	Sept. 15, 1921.....	Sept. 15, 1924.....	Mar. 15, Sept. 15.
Series A-1925.....	do.....	4½	Feb. 1, 1922.....	Mar. 15, 1925.....	Do.
Series B-1925.....	do.....	4½	June 15, 1922.....	Dec. 15, 1925.....	June 15, Dec. 15.
Series A-1926.....	do.....	4½	Mar. 15, 1922.....	Mar. 15, 1926.....	Mar. 15, Sept. 15.
Series B-1926.....	do.....	4½	Aug. 1, 1922.....	Sept. 15, 1926.....	Do.
Certificates of indebtedness:					
Tax—					
Series TD-1922.....	do.....	4½	Dec. 15, 1921.....	Dec. 15, 1922.....	June 15, Dec. 15.
Series TM-1922.....	do.....	4½	Mar. 15, 1922.....	Mar. 15, 1923.....	Mar. 15, Sept. 15.
Series TD 2-1922.....	do.....	3½	June 1, 1922.....	Dec. 15, 1922.....	At maturity.
Series TJ-1923.....	do.....	3½	June 15, 1922.....	June 15, 1923.....	June 15, Dec. 15.
Series TS-1923.....	do.....	3½	Sept. 15, 1922.....	Sept. 15, 1923.....	Mar. 15, Sept. 15.
Loan, series D-1922.....	do.....	3½	Apr. 15, 1922.....	Oct. 15, 1922.....	At maturity.
Pittman Act.....	Sept. 24, 1917, as amended Apr. 23, 1918.....	2	Various dates, 1918-19.....	One year from date of issue or renewal. Payable Jan. 1, 1923.....	Jan. 1, July 1.
Treasury (war) savings securities.....	Sept. 24, 1917, as amended.....	1½	Jan. 2, 1918..... Jan. 2, 1919..... Jan. 2, 1920..... Jan. 3, 1921.....	Payable Jan. 1, 1923..... Payable Jan. 1, 1924..... Payable Jan. 1, 1925..... Payable Jan. 1, 1926.....	At maturity or redemption.
Treasury savings certificates, issue of Dec. 15, 1921.....	do.....	4½	Various dates from Dec. 15, 1921.....	Five years from date of issue.	Do.
Soldiers' and sailors' civil relief bonds.....	Mar. 8, 1918.....	3½	July 1, 1918.....	Mature July 1, 1928; may be called 1 year after termination of war.	Jan. 1, July 1.

¹ If held to maturity, war savings securities yield interest at rate 4 per cent per annum, compounded quarterly, for the average period to maturity on the average issue price. Thrift stamps and Treasury savings stamps do not bear interest.² Treasury savings certificates of the issue dated Dec. 15, 1921, yield interest at about 4½ per cent per annum, compounded semiannually, if held to maturity, but may be redeemed before maturity: a yield about 3½ per cent per annum, compounded semiannually. This issue was withdrawn from sale Sept. 30, 1922, in favor of an issue dated Sept. 30, 1922, which yields interest at about 1 per cent per annum, compounded semiannually, if held to maturity, but may be redeemed before maturity to yield about 3 per cent per annum, simple interest. These certificates all mature 6 years from date of issue.

Securities owned by the United States Government.

[Compiled from latest reports received by the Treasury, September 30, 1922.]

Obligations of foreign governments, under authority of acts approved Apr. 24, 1917, and Sept. 24, 1917, as amended (on basis of cash advances, less repayments of principal):¹

Belgium.....	\$347,251,013.40
Cuba.....	7,740,500.00
Czechoslovakia.....	61,974,041.10
France.....	2,933,405,070.15
Great Britain.....	4,135,818,358.44
Greece.....	15,000,000.00
Italy.....	1,648,034,050.90
Liberia.....	25,000.00
Rumania.....	23,205,819.52
Russia.....	187,729,750.00
Serbia.....	26,126,574.59

Total.....\$9,386,311,178.10

Foreign obligations received from the Secretary of War on account of sale of surplus war supplies:²

Belgium.....	29,872,732.54
Czechoslovakia.....	20,612,300.11
Estonia.....	12,213,377.88
France.....	407,341,145.01
Latvia.....	2,521,869.32
Lithuania.....	4,159,491.95
Nicaragua.....	170,585.35
Poland.....	57,411,894.41
Rumania.....	12,922,675.42
Russia.....	406,082.30
Serbs, Croats, and Slovenes.....	24,978,020.99

Total.....572,610,175.29

Foreign obligations received from the Secretary of the Navy on account of sale of surplus war supplies:²

Poland.....2,266,709.66

Foreign obligations received from the American Relief Administration on account of relief, pursuant to act approved Feb. 25, 1919:²

Armenia.....	8,028,412.15
Czechoslovakia.....	6,428,089.19
Estonia.....	1,785,767.72
Finland.....	8,281,926.17
Latvia.....	2,610,417.82
Lithuania.....	822,136.07
Poland.....	51,671,749.36
Russia.....	4,465,465.07

Total.....84,093,963.55

Capital stock of war emergency corporations:

Capital stock of the Emergency Fleet Corporation.....	50,000,000.00
Offset by cash deposited with the Treasurer of the United States to the credit of the corporation.....	66,962,980.66

Capital stock of the Hoboken Manufacturers Railroad Co.....	400,000.00
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Capital stock of United States Housing Corporation, issued.....	70,000,000.00
Less amount retired plus cash deposits covered into Treasury under act approved July 11, 1919.....	16,826,911.24

53,173,088.76

Capital stock of United States Sugar Equalization Board (Inc.).....	5,000,000.00
Offset by cash deposited with the Treasurer of the United States to credit of the corporation.....	15,279,636.52

Capital stock of the United States Grain Corporation, authorized and issued.....	500,000,000.00
Less amount retired.....	475,000,000.00

25,000,000.00

Capital stock of the United States Spruce Production Corporation.....	10,000,000.00
Less cash deposited with the Treasurer of the United States to the credit of the corporation.....	3,951,525.15

6,048,474.85

Capital stock of the War Finance Corporation, authorized and issued.....	500,000,000.00
Less cash deposited with the Treasurer of the United States to credit of War Finance Corporation.....	335,557,650.04

164,442,349.96

Obligations of carriers acquired under sec. 7 of the Federal control act, approved Mar. 21, 1918, as amended:²

Boston & Maine R. R.....	26,114,000.00
Minneapolis & St. Louis R. R. Co.....	750,000.00
Missouri, Kansas & Texas Ry. of Texas, receiver of the.....	52,000.00
New York Central R. R. Co.....	6,500,000.00
Pennsylvania R. R. Co.....	20,000,000.00
Pittsburgh & Lake Erie R. R. Co.....	500,000.00
Seaboard Air Line Ry. Co.....	1,850,000.00
Washington, Brandywine & Point Lookout R. R. Co.....	50,000.00

Total.....55,816,000.00

¹ The figures do not include interest accrued and unpaid.

² This amount does not include securities purchased by the Director General of Railroads under the provisions of sec. 12 of the Federal control act, approved Mar. 21, 1918.

Equipment trust 6 per cent gold notes acquired by Director General of Railroads pursuant to Federal control act of Mar. 21, 1918, as amended, and act approved Nov. 19, 1919, to provide for the reimbursement of the United States for motive power, cars, and other equipment ordered for carriers under Federal control:²

Ann Arbor R. R. Co.....	\$228,800
Atlanta, Birmingham & Atlantic Ry. Co.....	917,000
Baltimore & Ohio R. R. Co.....	5,142,800
Boston & Maine R. R.....	1,978,600
Carolina, Clinchfield & Ohio Ry.....	1,794,000
Charleston & Western Carolina Ry. Co.....	227,500
Chicago & Alton R. R. Co.....	525,200
Chicago & Eastern Illinois R. R. Co.....	213,200
Chicago, Indianapolis & Louisville Ry. Co.....	300,300
Chicago Great Western R. R. Co.....	188,500
Chicago, Milwaukee & St. Paul Ry. Co.....	4,751,500
Chicago & Western Indiana R. R. Co.....	80,600
Detroit & Toledo Shore Line R. R. Co.....	144,300
Erie R. R. Co.....	1,301,300
Grand Trunk Ry. of Canada.....	258,700
Grand Trunk Western Ry. Co.....	894,400
Hooking Valley Ry. Co.....	819,000
Kansas City Southern Ry. Co.....	275,600
Maine Central R. R. Co.....	347,100
Minneapolis & St. Louis R. R. Co.....	436,800
Missouri, Kansas & Texas Ry. Co.....	365,300
Missouri Pacific R. R. Co.....	3,008,200
Mobile & Ohio R. R. Co.....	175,500
Morgantown & Kingwood R. R. Co.....	751,400
New York, New Haven & Hartford R. R. Co.....	1,285,700
Norfolk Southern R. R. Co.....	114,400
Pere Marquette Ry. Co.....	2,918,500
Rutland R. R. Co.....	107,900
Seaboard Air Line Ry. Co.....	477,100
Spokane, Portland & Seattle Ry. Co.....	253,500
St. Louis-San Francisco Ry. Co.....	4,156,100
Texas & Pacific Ry. Co.....	691,600
Toledo, St. Louis & Western R. R. Co.....	341,900
Wabash R. R. Co.....	3,273,400
Western Maryland Ry. Co.....	248,300
Wheeling & Lake Erie Ry. Co.....	1,326,000

Total.....\$40,320,000.00

Obligations of carriers acquired pursuant to sec. 207 of the transportation act, approved Feb. 28, 1920, as amended:

Ann Arbor R. R. Co.....	550,000.00
Baltimore & Ohio R. R. Co.....	9,000,000.00
Bangor & Aroostook R. R. Co.....	325,000.00
Boston & Maine R. R.....	1,030,000.00
Chicago & Eastern Illinois R. R. Co.....	3,425,000.00
Chicago, Milwaukee & St. Paul Ry. Co.....	20,000,000.00
Chicago, Rock Island & Pacific Ry. Co.....	8,000,000.00
Erie R. R. Co.....	8,250,000.00
Gulf, Mobile & Northern R. R. Co.....	480,000.00
International & Great Northern Ry. Co.....	2,400,000.00
Maine Central R. R. Co.....	750,000.00
Missouri Pacific R. R. Co.....	3,000,000.00
New York, Chicago & St. Louis R. R. Co.....	1,000,000.00
New York, New Haven & Hartford R. R. Co.....	64,316,500.00
St. Louis-San Francisco Ry. Co.....	3,000,000.00
Wabash Ry. Co.....	1,500,000.00
Western Maryland Ry. Co.....	2,000,000.00
Wheeling & Lake Erie Ry. Co.....	900,000.00

Total.....129,926,500.00

Obligations of carriers acquired pursuant to sec. 210 of the transportation act, approved Feb. 28, 1920, as amended:

Akron, Canton & Youngstown Ry. Co.....	212,000.00
Alabama, Tennessee & Northern R. R. Corporation.....	475,250.00
Alabama & Vicksburg Ry. Co.....	1,394,000.00
Ann Arbor R. R. Co.....	530,000.00
Aransas Harbor Terminal Ry.....	50,000.00
Atlanta, Birmingham & Atlantic Ry. Co.....	180,000.00
Baltimore & Ohio R. R. Co.....	3,000,000.00
Bangor & Aroostook R. R. Co.....	184,000.00
Birmingham & Northwestern Ry. Co.....	75,000.00
Boston & Maine R. R.....	14,705,479.00
Buffalo, Rochester & Pittsburgh Ry. Co.....	1,000,000.00
Carolina, Clinchfield & Ohio Ry.....	8,000,000.00
Central of Georgia R. R. Co.....	222,010.00
Central New England Ry. Co.....	300,000.00
Central Vermont Ry. Co.....	180,000.00
Charles City Western Ry. Co.....	140,000.00
Chesapeake & Ohio Ry. Co.....	8,073,023.97
Chicago & Eastern Illinois R. R. Co., receiver of.....	785,000.00
Chicago Great Western R. R. Co.....	2,445,373.00
Chicago, Indianapolis & Louisville Ry. Co.....	155,000.00
Chicago, Milwaukee & St. Paul Ry. Co.....	35,000,000.00
Chicago, Rock Island & Pacific Ry. Co.....	9,862,000.00
Chicago & Western Indiana R. R. Co.....	7,817,000.00
Cisco & Northeastern Ry. Co.....	208,588.00
Cowlitz, Chehalis & Cascade Ry. Co.....	45,000.00
Cumberland & Manchester R. R. Co.....	375,000.00
Des Moines & Central Iowa R. R., formerly the Inter-Urban Ry. Co.....	633,500.00
Erie R. R. Co.....	11,574,450.00
Evansville, Indianapolis & Terre Haute Ry. Co.....	400,000.00
Fernwood, Columbia & Gulf R. R. Co.....	33,000.00
Flemingsburg & Northern R. R. Co.....	7,250.00
Fort Dodge, Des Moines & Southern R. R. Co.....	200,000.00

² The notes are in series, which mature, respectively, on the 15th day of January in various years up to 1935.

Obligations of carriers acquired pursuant to sec. 210 of the transportation act, etc.—Continued.

Fort Smith & Western R. R. Co., receiver of the	\$156,000.00
Gainesville & Northwestern R. R. Co.	75,000.00
Georgia & Florida Ry., receivers of	792,000.00
Great Northern Ry. Co.	1,876,000.00
Greene County R. R. Co.	54,000.00
Gulf, Mobile & Northern R. R. Co.	1,433,500.00
Hocking Valley Ry. Co.	1,665,000.00
Illinois Central R. R. Co.	4,144,000.00
Indiana Harbor Belt R. R. Co.	414,000.00
International & Great Northern Ry. Co., receiver of	155,440.00
Kansas City, Mexico & Orient R. R. Co., receiver of the	2,500,000.00
Kansas City Terminal Ry. Co.	580,000.00
Lake Erie, Franklin & Clarion R. R. Co.	22,500.00
Long Island R. R. Co.	500,000.00
Louisville & Jeffersonville Bridge & R. R. Co.	162,000.00
Maine Central R. R. Co.	2,373,000.00
Minneapolis & St. Louis R. R. Co.	1,382,000.00
Missouri, Kansas & Texas Ry. Co. of Texas, receiver of the	420,000.00
Missouri & North Arkansas Ry. Co.	3,500,000.00
Missouri Pacific R. R. Co.	5,629,760.00
National Railway Service Corporation	10,825,289.93
New Orleans, Texas & Mexico Ry. Co.	234,000.00
New York Central R. R. Co.	23,735,000.00
New York, New Haven & Hartford R. R. Co.	19,430,000.00
Norfolk Southern R. R. Co.	1,299,900.00
Pennsylvania R. R. Co.	12,480,000.00
Peoria & Pekin Union Ry. Co.	1,797,000.00
Rutland R. R. Co.	61,000.00
Salt Lake & Utah R. R. Co.	904,000.00
Seaboard Air Line Ry. Co.	8,698,400.00
Seaboard Bay Line Co.	3,300,000.00
Shearwood Ry. Co.	29,000.00
Tampa Northern R. R. Co.	100,000.00
Tennessee Central Ry. Co.	563,000.00
Terminal Railroad Association of St. Louis	519,175.00
Toledo, St. Louis & Western R. R. Co., receiver of	646,000.00
Trans-Mississippi Terminal R. R. Co.	1,000,000.00
Virginia Blue Ridge Ry. Co.	106,000.00
Virginian Ry. Co.	2,000,000.00
Virginia Southern R. R. Co.	38,000.00
Waterloo, Cedar Falls & Northern Ry. Co.	1,260,000.00
Western Maryland Ry. Co.	3,322,800.00
Wheeling & Lake Erie Ry. Co.	2,960,000.00

Obligations of carriers acquired pursuant to sec. 210 of the transportation act, etc.—Continued.

Wicoma Falls & Northern R. R. Co.	\$381,750.00
Wilmington, Brunswick & Southern R. R. Co.	90,000.00
Total	\$231,876,468.90
Capital stock of the Panama R. R. Co.	7,000,000.00
Capital stock of Federal land banks, on basis of purchases, less repayments to date:	
Springfield, Mass.	689,965.00
Baltimore, Md.	630,035.00
Columbia, S. C.	429,510.00
Louisville, Ky.	325,435.00
New Orleans, La.	410,465.00
St. Louis, Mo.	321,635.00
St. Paul, Minn.	150,965.00
Omaha, Nebr.	44,740.00
Wichita, Kans.	356,035.00
Houston, Tex.	177,885.00
Berkeley, Calif.	601,110.00
Spokane, Wash.	127,080.00
Total	4,264,880.00
Federal farm loan bonds, acquired pursuant to act approved Jan. 18, 1918: Federal farm loan 4½ per cent bonds	136,885,000.00
Securities received by the Secretary of War on account of sales of surplus war supplies	32,677,120.85
Securities received by the Secretary of the Navy on account of sales of surplus property	9,629,241.34
Securities received by the United States Shipping Board on account of sales of ships, etc.	42,946,014.61
Grand total	10,985,687,168.87
Amount due the United States from the central branch of the Union Pacific R. R. on account of bonds issued (Pacific Railroad aid bonds, acts approved July 1, 1862, July 2, 1864, and May 7, 1878):	
Principal	1,600,000.00
Interest	1,940,373.55
Total	3,540,373.55

NOTE.—This statement is made up on the basis of the face value of the securities therein described as received by the United States, with due regard for repayments. To the extent that the securities are not held in the custody of the Treasury, the statement is made up from reports received from other Government departments and establishments. The statement does not include securities which the United States holds as collateral, or as the result of the investment of trust funds (as, for example, securities held for account of the Alien Property Custodian, the United States Government life-insurance fund, and other similar trust funds).

Daily statement of the United States Treasury, compiled from latest proved reports from Treasury offices and depositaries, December 4, 1922.

CURRENT ASSETS AND LIABILITIES.

GOLD.

Assets:		Liabilities:	
Gold coin	\$321,122,110.72	Gold certificates outstanding	\$700,076,169.00
Gold bullion	2,949,350,418.14	Gold fund, Federal Reserve Board (act of Dec. 23, 1913, as amended June 21, 1917)	2,180,699,514.65
		Gold reserve	152,979,025.63
		NOTE.—Reserved against \$346,681,016 of United States notes and \$1,490,223 of Treasury notes of 1890 outstanding. Treasury notes of 1890 are also secured by silver dollars in the Treasury.	
Total	3,270,472,528.86	Gold in general fund	236,717,819.58
		Total	3,270,472,528.86

SILVER DOLLARS.

Assets:		Liabilities:	
Silver dollars	\$362,278,481.00	Silver certificates outstanding	\$333,190,608.00
		Treasury notes of 1890 outstanding	1,490,223.00
Total	362,278,481.00	Silver dollars in general fund	27,597,650.00
		Total	362,278,481.00

GENERAL FUND.

Assets:		Liabilities:	
Gold (see above)	\$236,717,819.58	Treasurer's checks outstanding	\$1,101,083.99
Silver dollars (see above)	27,597,650.00	Deposits of Government officers—	
United States notes	2,581,646.00	Post Office Department	10,017,538.90
Federal reserve notes	1,666,265.50	Board of trustees, Postal Savings System—	
Federal reserve bank notes	1,077,592.00	5 per cent reserve, lawful money	6,669,623.05
National bank notes	18,248,545.77	Other deposits	281,159.29
Subsidiary silver coin	14,889,252.82	Comptroller of the Currency, agent for creditors of insolvent banks	2,063,613.90
Minor coin	3,383,594.01	Postmasters, clerks of courts, disbursing officers, etc.	28,679,635.32
Silver bullion	33,639,058.72	Deposits for—	
Unclassified (unsorted currency, etc.)	2,643,297.01	Redemption of Federal reserve notes (5 per cent fund, gold)	220,159,280.49
Deposits in Federal reserve banks	92,836,536.31	Redemption of Federal reserve bank notes (5 per cent fund, lawful money)	2,865,002.55
Deposits in special depositaries account of sales of Treasury bonds	210,189,000.00	Redemption of national bank notes (5 per cent fund, lawful money)	30,556,314.77
Deposits in foreign depositaries—		Retirement of additional circulating notes, act May 30, 1908	25,130.00
To credit of Treasurer United States	89,230.69	Exchanges of currency, coin, etc.	5,546,123.51
To credit of other Government officers	247,159.29		307,964,505.97
Deposits in national banks—		Net balance	366,258,546.18
To credit of Treasurer United States	7,588,276.14		
To credit of other Government officers	19,541,544.20	Total	674,223,052.15
Deposits in Philippine treasury—			
To credit of Treasurer United States	1,286,584.11		
Total	674,223,052.15		

Daily statement of the United States Treasury, compiled from latest proved reports from Treasury offices and depositaries, December 4, 1922—Con.

RECEIPTS AND EXPENDITURES THIS DAY.

Customs receipts.....	\$2,213,892.91	General expenditures.....	\$10,277,612.61
Internal-revenue receipts:		Interest on public debt.....	1,628,157.18
Income and profits tax.....	1,203,982.72	Postal deficiency.....	
Miscellaneous internal revenue.....	10,277,700.64	Operations in special accounts.....	² 1,566,285.05
Miscellaneous receipts.....	28,202,863.48	Loans to railroads.....	
		Investment of trust funds.....	
		Other ordinary.....	158,951.96
Total ordinary receipts.....	41,898,439.75	Total ordinary expenditures.....	10,498,436.63
Public debt receipts.....	399,634.69	Public debt expenditures chargeable against ordinary receipts.....	876,750.00
Balance previous day.....	336,043,074.93	Other public debt expenditures.....	707,443.51
		Balance to-day.....	366,253,543.18
Total.....	378,341,179.37	Total.....	378,341,179.37

¹Includes receipts from miscellaneous sources credited direct to appropriations.

²Excess of credits.

NOTE.—The amount to the credit of disbursing officers and agencies to-day was \$753,679,781.05. Book credits for which obligations of foreign governments are held by the United States amount to \$33,230,629.05.

Under the acts of July 14, 1890, and Dec. 23, 1913, deposits of lawful money for the retirement of outstanding national-bank and Federal reserve bank notes are paid into the Treasury as miscellaneous receipts, and these obligations are made under the acts mentioned a part of the public debt. The amount of such obligations to-day was \$48,400,676.50.

\$326,522 in Federal reserve notes, \$978,092 in Federal reserve bank notes, and \$17,706,502 in national-bank notes are in the Treasury in process of redemption and are charges against the deposits for the respective 5 per cent redemption funds.

Comparative analysis of receipts and expenditures.

	This month.	Corresponding period last year.	Fiscal year 1923. ¹	Corresponding period fiscal year 1922. ¹
RECEIPTS—ORDINARY.				
Customs.....	\$6,110,084.90	\$4,186,968.44	\$217,532,028.37	\$125,040,178.39
Internal revenue:				
Income and profits tax.....	2,639,110.98	2,225,805.81	396,438,824.93	717,668,195.96
Miscellaneous internal revenue.....	16,420,734.98	23,440,410.39	444,614,162.66	605,432,833.32
Miscellaneous receipts:				
Proceeds Government-owned securities—				
Foreign obligations—				
Principal.....			517,878.04	450,500.00
Interest.....			115,004,755.43	13,174,634.64
Railroad securities.....	23,265,634.47		69,646,737.60	
All others.....		14,406.56	30,302,809.19	25,437,673.20
Trust fund receipts (reappropriated for investment).....			11,302,936.83	16,815,130.29
Proceeds sale of surplus property.....	174,686.18	62,534.80	31,844,104.43	35,532,020.95
Panama Canal tolls, etc.....		229,727.24	5,709,777.49	5,375,828.10
Receipts from miscellaneous sources credited direct to appropriations.....	596,714.13		33,958,383.33	
Other miscellaneous.....	5,951,740.35	1,460,836.06	103,062,764.33	60,843,970.43
Total ordinary.....	55,158,705.99	31,620,709.30	1,459,935,162.63	1,605,790,965.28
Excess of ordinary receipts over total expenditures chargeable against ordinary receipts.....	29,877,047.06	4,385,400.78		
Excess of total expenditures chargeable against ordinary receipts over ordinary receipts.....			79,661,267.10	115,872,885.18
EXPENDITURES—ORDINARY.				
(Checks and warrants paid, etc.)				
General expenditures.....	20,847,451.45	16,357,175.37	847,518,000.66	967,473,529.19
Interest on public debt.....	4,338,779.72	4,348,006.25	378,663,043.49	368,416,824.87
Refunds of receipts:				
Customs.....	123,673.01		20,201,116.19	13,521,849.44
Internal revenue.....	351,502.55		46,061,681.42	10,479,565.40
Postal deficiency.....			22,201,089.35	38,115,892.61
Panama Canal.....	134,911.63	95,740.29	1,462,205.01	1,836,695.09
Operations in special accounts:				
Railroads.....	243,326.59	² 3,660,213.37	54,935,090.73	26,057,415.76
War Finance Corporation.....	² 12,351,990.93	3,864,496.70	² 57,559,830.80	3,457,561.78
Shipping Board.....	² 385,850.00	894,234.26	22,601,219.70	72,082,922.56
Alien property funds.....	18,004.91	17,429.02	661,291.12	² 198,836.53
Grain Corporation.....				25,000,000.00
Sugar Equalization Board.....				
Purchase of obligations of foreign governments.....				
Loans to railroads.....			3,783,587.00	
Investment of trust funds:				
Government life insurance fund.....			11,242,396.66	8,466,862.94
Civil-service retirement fund.....			9,775,099.03	283,274.11
District of Columbia teachers' retirement fund.....			60,540.17	64,998.24
Total ordinary.....	23,319,808.93	21,916,868.52	1,861,606,529.73	1,530,058,550.46
Public debt retirements chargeable against ordinary receipts:				
Sinking fund.....	1,834,250.00	5,172,000.00	176,347,050.00	180,416,000.00
Purchases from foreign repayments.....			567,400.00	532,500.00
Received for estate taxes.....	127,100.00	146,350.00	1,061,650.00	10,639,800.00
Purchases from franchise tax receipts (Federal reserve banks).....				
Forfeitures, gifts, etc.....	500.00		13,800.00	17,000.00
Total.....	1,961,850.00	5,318,350.00	177,989,900.00	191,605,300.00
Total expenditures chargeable against ordinary receipts.....	25,281,658.93	27,235,218.52	1,539,596,429.73	1,721,663,850.46

¹Receipts and expenditures for June reaching the Treasury in July are included.

²Excess of credits.

NOTE.—The analysis of receipts and expenditures for the fiscal year 1923 is on the same basis as the Budget, with necessary adjustments to cover receipts credited to appropriations, including particularly proceeds of railroad securities. The analysis for the fiscal year 1922 is on the Budget basis, without adjustment. The figures given for operations in special accounts are net figures and make allowance for receipts and deposits credited to the account concerned.

Comparative analysis of public-debt receipts and expenditures.

	This month.	Corresponding period last year.	Fiscal year 1923. ¹	Corresponding period fiscal year 1922. ¹
RECEIPTS.				
Certificates of indebtedness.....			\$709,500,000.00	\$1,452,393,000.00
Treasury notes.....	\$300.00		496,744,950.00	390,706,100.00
Treasury bonds.....	53,500.00		763,716,800.00	
Treasury savings securities.....	888,988.47	\$144,995.38	63,876,097.89	6,447,549.93
Liberty bonds and Victory notes.....				² 1,300.00
Postal savings bonds.....			20,560.00	55,780.00
Deposits for retirement of national-bank notes and Federal reserve bank notes (acts of July 14, 1890, and Dec. 23, 1913).....	125,000.00	1,700,000.00	53,300,575.00	70,640,102.50
Total.....	1,067,788.47	1,844,995.38	2,087,158,982.89	1,920,241,232.43
EXPENDITURES.				
(Including public debt retirements chargeable against ordinary receipts—see above.)				
Certificates of indebtedness.....	1,557,000.00	2,430,000.00	1,538,305,500.00	1,867,383,950.00
Treasury notes.....			25,000,000.00	
War savings securities.....	643,183.88	913,100.66	12,771,000.19	44,379,953.44
Treasury savings securities.....	88,515.55		3,920,942.05	
First Liberty bonds.....	500.00	1,200.00	13,900.00	114,250.00
Second Liberty bonds.....	19,400.00	38,900.00	41,176,550.00	2,884,600.00
Third Liberty bonds.....	47,600.00	10,400.00	18,176,050.00	2,989,050.00
Fourth Liberty bonds.....	59,800.00	92,850.00	8,004,800.00	4,818,900.00
Victory notes.....	2,474,400.00	5,175,000.00	407,014,600.00	310,798,500.00
Old debt items.....	20.00		11,990.00	15,900.94
National-bank notes and Federal reserve bank notes.....	668,000.00	1,574,950.00	36,939,250.00	53,612,420.00
Total.....	5,558,419.43	10,236,460.66	2,091,334,582.24	2,286,997,524.38

¹ Receipts and expenditures for June reaching the Treasury in July are included.² Counterentry (deduct).

Outstanding Federal reserve notes, Federal reserve bank notes, and national-bank notes.

	Total amount outstanding.	Amount in the Treasury in process of redemption.	Amount in circulation.	Amount in Treasury cash (not including amount in process of redemption).	Amount in circulation outside the Treasury.
Federal reserve notes ¹	\$2,718,471,000	\$626,522	\$2,717,844,478	\$1,039,743	\$2,716,804,735
Federal reserve bank notes ²	48,204,663	978,092	47,225,571	99,500	47,127,071
National-bank notes ³	761,903,182	17,706,502	744,196,680	542,043	743,654,637

¹ Against which \$867,683,000 in commercial paper is held by Federal reserve agents and \$2,048,084,000 in gold held jointly by Federal reserve banks and agents.² Secured by United States bonds and other securities held by the Treasurer.

Transactions affecting the circulation of Federal reserve notes, Federal reserve bank notes, and national-bank notes.

	This month.	Corresponding period last year.	Fiscal year 1923.	Corresponding period fiscal year 1922.
Federal reserve notes:				
Issued (from weekly reports).....			\$860,732,000	\$918,604,000
Retired (from weekly reports).....			679,748,000	1,215,954,000
Received for redemption by Treasurer United States.....	\$522,000	\$781,142	23,716,790	33,453,750
Federal reserve bank notes:				
Issued.....		60,000	5,360,000	50,688,000
Received for redemption by Treasurer United States.....	762,601	1,074,273	37,329,819	83,039,625
National-bank notes:				
Issued.....	6,900,150	6,421,710	216,247,310	274,621,430
Received for redemption by Treasurer United States.....	5,022,544	5,542,354	214,819,929	273,800,463
Additional national-bank notes retired ¹		300	5,950	22,910

¹ For retirement of regular issues of national-bank and Federal reserve bank notes, see above.

RESIGNATION OF A MEMBER.

The SPEAKER. The Chair lays before the House the following resignation.

The Clerk read as follows:

JEFFERSON CITY, MO., December 5, 1922.

HON. FREDERICK H. GILLET,.

Speaker of the House of Representatives, Washington, D. C.

MY DEAR SPEAKER: I have tendered to Gov. A. M. Hyde my resignation as Representative in Congress from the first district of Missouri, effective December 5, 1922.

It is with extreme regret that I sever my official connection with the House, and I desire to take this opportunity to express to you and to the Members of the House my sincere thanks for the many courtesies extended to me and to utter my appreciation of the delightful associations it has been my pleasure to enjoy during my service there.

With renewed assurances of my best personal wishes, I am,

Yours very truly,

FRANK C. MILLSPAUGH.

TREASURY DEPARTMENT APPROPRIATION BILL.

Mr. MADDEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 13180) mak-

ing appropriations for the Treasury Department for the fiscal year ending June 30, 1924, and pending that motion, Mr. Speaker, I would like to ask the gentleman from Tennessee [Mr. BYRNS] whether we can agree on time for general debate.

Mr. BYRNS of Tennessee. I think so. How much time does the gentleman suggest?

Mr. MADDEN. I would suggest two and a half hours.

Mr. BYRNS of Tennessee. That is an hour and a quarter to a side.

Mr. MADDEN. Or it might be that we could get through quicker.

Mr. BYRNS of Tennessee. If the gentleman will agree on three hours, an hour and a half to a side.

Mr. MADDEN. Then, I ask unanimous consent, Mr. Speaker, that general debate continue for three hours, one half to be controlled by the gentleman from Tennessee and the other half by myself.

The SPEAKER. The gentleman from Illinois asks unanimous consent that general debate continue for three hours, one-half of that time to be controlled by the gentleman from Tennessee and one-half by himself. Is there objection? [After a

pause.] The Chair hears none. The question is on the motion of the gentleman.

The question was taken, and the motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 13180) making appropriations for the Treasury Department for the fiscal year ending June 30, 1924, and for other purposes, with Mr. SANDEES of Indiana in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 13180) making appropriations for the Treasury Department for the fiscal year ending June 30, 1924, and for other purposes.

Mr. MADDEN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. MADDEN. Mr. Chairman, I am very happy to be able to announce to the House that the Committee on Appropriations has five bills practically ready for presentation to the House. This bill is the first bill taken up for consideration. We hope to be able to present all the bills making appropriations for the fiscal year 1924 not later than the middle of next month. [Applause.]

I wish to talk to you a little about the effectiveness of the Budget and the detail of its operation. The Budget, as you will realize, places the responsibility on the President of the United States of stating a program which he proposes to enter upon this next year and indicate the cost. The President has accepted the responsibility that is placed upon him by the law, and he has exercised that responsibility in a remarkable way. [Applause.] For the first time in the history of the country, I think, a President of the United States has really paid great attention to the cost of government. President Harding has, and he has done so very systematically, and he deserves the commendation of the Congress for his activity in this direction and the thanks of the American people for the results of his activity.

There are 22 statements printed in the Budget that I would like every Member of the House to read. I shall not have time to go into them, but they are very important; they are illuminating; they are interesting; they show the painstaking care which has been applied to the preparation of the Budget, and any person who is interested in the finances of the United States will be well repaid for the time he may take in studying this Budget system.

The estimates for 1924 request appropriations amounting to \$3,669,000,000, in round figures. That includes the Postal Service. The estimate for the Postal Service is submitted as \$590,000,000. Exclusive of the Postal Service, the recommendation of appropriations for all the other activities of the Government amounts to \$3,079,000,000, which is \$150,000,000 less than the like estimates in the Budget for 1923, submitted a year ago. The appropriations for 1923 in round figures were \$3,838,000,000, including the Postal Service.

The Postal Service appropriations amount to \$564,000,000, or, exclusive of the Postal Service, the entire appropriations for 1923 amount to \$3,274,000,000, making the estimates for 1924, exclusive of the Postal Service, \$195,000,000 less than the appropriations for 1923. Included in the \$195,000,000 of reduction is \$125,000,000 of interest accumulated on the war-savings certificates issued in 1918. These war-savings certificates then issued had a face value of about \$625,000,000. They were sold at a discount. The amount received for them was about \$500,000,000. The interest accumulated is over the five-year period, and this \$125,000,000 really is chargeable from 1918 up to the present time, and only a portion of it could under any circumstances be attributed to the expense of the fiscal year 1924.

Then, we have \$38,000,000 reduction on account of the \$240 bonus, which is not estimated in the Budget for 1924. It never has been estimated for by the executive branch of the Government. For neither of these items is there a corresponding item in 1924. The \$163,000,000 compressed in the two items to which I have alluded leave a net reduction in all other items of \$32,000,000. The bonus has never been submitted to the Congress by the executive branch, as I said. It has always been by congressional action, and it is fair to assume that the Budget has been prepared in this instance with the expectation that the bonus will be continued, because no recommendations have been made through the Budget for any general increase in compensation to persons in the Government service.

The estimates for the Postal Service for 1924 show an increase of \$26,000,000 over 1923. This is due to the constantly increasing volume of business done by the Postal Department.

There is a reduction of \$50,000,000 in the estimates for the Shipping Board, due to the fact that the amount then appropriated for 1923 for payment of claims is not being repeated for 1924. And I may say here in this connection that the Shipping Board, out of the \$50,000,000 appropriated for the payment of claims, advises me that they have settled all the claims that were then pending, and they expect to pay into the Treasury of the United States about \$20,000,000 of the \$50,000,000 that was set aside for that purpose, and that the claims will be settled by the balance. [Applause.]

They are not asking anything for next year for that purpose. [Applause.] They will ask, of course, for money to operate; but I wish to say that under Mr. Lasker's management they have made good the promises which he made. When he came before the Committee on Appropriations more than a year ago he found the treasury of the Shipping Board with a \$17,000,000 deficit. To-day the treasury of the Shipping Board has \$138,000,000 in fact, and not more than \$38,000,000 of that will be drawn against, while I think the other \$100,000,000 will be carried to the general fund of the Treasury for general purposes. [Applause.]

I am very proud to be able to make this statement, because I believed that Mr. Lasker would make good when he came in, and I am gratified to know the extent to which he has made good since he came in.

There is a net increase of \$22,000,000 in the estimates for the Veterans' Bureau. There is a decrease in the item for military and naval compensation of \$42,000,000. There is a decrease in the medical and hospital item of \$12,000,000, and a decrease of \$22,000,000 in the vocational training item.

A new item appears under the Veterans' Bureau calling for \$90,000,000 to supplement the military and naval insurance fund in the insurance of the World War veterans. This is due to the fact that the premium collections are estimated to be \$90,000,000 less than the payments which are estimated to be required to be made on account of losses on the insurance in force. There is about \$2,000,000,000 of insurance in force on 216,000 policies.

There is a new item of \$33,000,000 not appearing in the 1923 appropriation in the present Budget, due to the contract obligations under the authorization of \$65,000,000 carried in the road bill, which was passed at the last session of Congress. Any funds required by the States for 1923 under the roads authorization will probably be submitted in a deficiency bill a little later during this session.

The estimates for military and naval force for 1924 are practically the same as those for 1923, and for the existing personnel, so that we come before you in advance of the report of the military and naval bills with the information, stated in a general way, that you need not expect any increase in the amount to be paid for the Army or the Navy or in the number of men to be enlisted or the number of officers to be retained.

The estimated deficit on the basis of actual receipts and expenditures at the beginning of the fiscal year 1922 was \$759,000,000. At the close of 1922 there was an actual surplus of \$314,000,000, which showed the efficiency with which the administrative side of the Government, coupled with the economies enforced by the Congress, has functioned. To take a \$759,000,000 deficit at the beginning of the year and change it into a \$314,000,000 surplus at the end of the year was no mean achievement. [Applause.] I think the people of the United States ought to know what was done. The indicated deficit for 1923 was \$697,000,000 on the basis of preliminary figures submitted by the departments on July 1 last. The increase in estimated receipts and the decrease in estimated expenditures have reduced the apparent 1923 deficit to \$274,000,000 as of this date. I said last July that it was not as bad as it looked. There are obligations to be met during 1923 due to the Federal control of railroads of about \$211,000,000. If it were not for this, a war-period obligation, the amount of the deficit for 1923 would be reduced to \$63,000,000.

The 1924 estimates of receipts and expenditures show an indicated surplus of \$181,000,000. If we take the 1922 surplus of \$314,000,000 and the 1924 estimated surplus of \$181,000,000, you will find they aggregate \$495,000,000, and if the indicated deficit of \$274,000,000 for 1923 is deducted from the aggregate surplus of 1922 and 1924 you will see that we have in the three years of Mr. Harding's administration a net estimated surplus of approximately \$220,000,000. [Applause.]

I am not worried about these so-called indicated deficits that appear when the bureaus make their preliminary esti-

mates of expenses of the Government and receipts a year in advance. We have fixed policies not only of economy but of systematic conduct of the business of the Government. The President of the United States has not only invited his Cabinet into his confidential councils in the matter of instituting economy in Government but he has also invited and directed every bureau chief to appear before the tribunal of the Chief Magistrate of the Nation, and they have all been told that they must economize in the work under their jurisdiction. The result has been marvelous. The President is entitled to the thanks of the American people for the fidelity with which he has administered the affairs of the Nation. [Applause.]

And when we consider that all this has been accomplished in the face of constantly decreasing revenues, the record is a remarkable achievement. We ought to be proud of it, and I am sure that when the American people realize the complications, the perplexing problems that have confronted us, they will be happy to give credit where credit is due.

The postal deficit for 1922 is \$64,000,000. The estimated deficit for 1923 is \$31,500,000; but the estimated surplus for 1924 is in the neighborhood of \$1,000,000.

Reorganization in the Postal Service is taking place every day. New economies are being introduced, better business methods employed, all leading to a better performance in this wonderful service. Some of the offices have been reorganized, and where they have been reorganized great economies have resulted. Some effort was made by Members in another body during the consideration of the last Post Office appropriation bill to add a number of places to the service in the department here; but the conferees who were Members of this House refused to concur. We believed then, as we ascertained later to be the fact, that a great reduction could be made in the forces that then existed, and shortly after we refused to allow the increased number of people there we were advised that 149 of the existing employees were dismissed as no longer necessary.

The public debt is being gradually reduced and is now more than \$1,000,000,000 less than it was at the beginning of the fiscal year 1922.

It is increasingly important, gentlemen, that economy be practiced in all the branches of the Government. The fact that there is an indicated surplus for 1924 of \$181,000,000 should not be an invitation to anybody to get extravagant notions or to urge legislation that might lead to extravagant expenditures.

Mr. LONDON. Will the gentleman yield for a question for information?

Mr. MADDEN. In just a moment. The fact that there is an indicated surplus of \$181,000,000 for 1924 should be no excuse for extravagance, but every dollar of surplus should be used to reduce the public debt and to stop the payment of interest.

Mr. LONDON. How was the decrease of the public debt accomplished?

Mr. MADDEN. It was accomplished partly by the use of the surplus of \$313,000,000, partly by the use of the sinking fund and other public-debt retirement receipts, and partly by a reduction in the net balance in the general fund of the Treasury.

Now I get to the bill. The regular annual appropriation bill for the fiscal year 1923 for the Treasury Department aggregated \$118,844,828. The permanent and indefinite appropriations aggregated \$1,336,146,910, or a total of \$1,454,739,044.

The total of the estimates for the appropriations of the Treasury Department for the fiscal year 1924, exclusive of any amount for increased compensation, is \$11,005,877.16 less than the appropriations for 1923. This reduction consists of a decrease of \$1,011,059.94 in the estimates of regular annual appropriations and \$9,994,817 in the estimates of permanent and indefinite appropriations. The amount recommended to be appropriated in the accompanying bill is \$115,000,000 in round numbers, and is \$3,725,018.44 less than the total of 1923 regular annual appropriations, and \$2,713,958.50 less than the budget estimates for the fiscal year 1924.

The appropriations for the public-debt service show a reduction from \$3,700,000 to \$3,250,000, or a decrease of \$450,000, and that is due to the fact that we are dispensing with the services of several hundred people in that branch of the service.

Next I come to the customs service. An increase was requested in the Budget for collecting revenue from customs from \$11,300,000 to \$12,250,000. Of the additional \$950,000 the sum of \$500,000 was requested to be made immediately available for the remainder of the fiscal year 1923, and \$450,000 for the fiscal year 1924.

The committee recommends a total of \$11,950,000, an increase over the current appropriation of \$650,000, and of this amount \$200,000 is suggested to be made immediately available.

The amount allowed will provide for an additional personnel of approximately 300 people, and makes provision for laboratory facilities in connection with work on imported dyes. The additional personnel will bring the total number employed up to approximately 7,400 people in the customs service. But even that number will be 900 less than the service had employed in 1912.

The committee feels justified in recommending this increase because of the tremendous increase in customs business and because of the additional administrative duties placed upon the service by the recent tariff act.

The revenue collected from customs during the month of October, 1922, which was the first full month after the new act went into effect, was \$40,000,000. The amount collected during the month of November exceeded \$41,500,000. It is estimated that the revenues from this service during the fiscal year 1923 will be \$450,000,000. The largest collections from customs in any prior fiscal year is that for the fiscal year 1922, which amounted to \$356,000,000, and the 1922 collections were \$23,000,000 higher than any other previous year.

The customs service is not able to handle the volume of business coming to our ports with its present force. Congestion exists on the docks and in the appraisers' warehouses. Much of the imported goods is not handled as efficiently as it should be handled due to the shortage of help, and the chief of the division stated to the committee that in his judgment additional revenue, approximating \$25,000,000 annually, could be collected with a more adequate personnel.

Mr. LONGWORTH. Will the gentleman yield?

Mr. MADDEN. I will.

Mr. LONGWORTH. What the gentleman has just said would seem to prove that the present tariff law is not prohibitive.

Mr. MADDEN. I think the present tariff law has proved its own case and the wisdom of the gentleman from Ohio and other gentlemen associated with him. [Applause.]

Mr. SNELL. Will the gentleman from Illinois yield?

Mr. MADDEN. Certainly.

Mr. SNELL. The gentleman has just made a statement that an extra \$25,000,000 could be collected. Can the gentleman give the reason for that?

Mr. MADDEN. The reason why they say they can collect \$25,000,000 more is that with the present inadequate force they are unable to make personal investigation of the value of the goods that come in, and they must take the value stated in the invoice.

Mr. SNELL. Is there an additional appropriation for that purpose in this bill?

Mr. MADDEN. Yes.

Mr. SNELL. What does it amount to?

Mr. MADDEN. It amounts to \$650,000.

Mr. SNELL. And by the expenditure of an additional \$650,000 the gentleman hopes to collect an additional \$25,000,000?

Mr. MADDEN. I think it may be \$50,000,000, but we place it at the lowest figure. The committee is of the opinion that the amount recommended should be approved by the House in order that the Government may receive the full amount of revenue to which it is entitled under the law, and that importers of merchandise may be able promptly to have their goods examined, appraised, and passed.

Now, I would like to use a little time in reference to the Internal Revenue Service. The appropriations for the Internal Revenue Service are decreased from \$60,628,380 for the current year to \$57,060,290 for the next year. The sum allowed is \$3,568,090 less than the current appropriation and \$1,608,400 less than the amount requested in the Budget.

The decreases in the appropriations are mainly due to three causes—the declaration by the Supreme Court of the United States of the unconstitutionality of the child labor law, a decrease because of the transfer of the printing and binding allotment to the general departmental appropriation for that purpose, and a decrease in the force engaged in the audit of the personal-tax return. The committee has cut the amount allowed by the Budget for collecting and assessing taxes by \$1,500,000. It is believed from the rate of expenditure during the first quarter of the fiscal year and making allowances for such additions to the force in the audit of corporation returns as may be made during this year, that the amount allowed will be sufficient to maintain the service during the next fiscal year.

The collections of internal revenue decreased from \$4,595,357,061.95 for the fiscal year 1921 to \$3,197,451,083 for the fiscal year 1922, or approximately 30 per cent. The estimated collections for the fiscal year 1923 show a further reduction to \$2,400,000,000. The number of income-tax returns filed shows a decrease from 8,716,072 for the calendar year 1921 to 7,568,222 for the calendar year 1922. The disposal of the arrearage of

work in the examination of returns for previous years shows a substantial gain.

Mr. LONGWORTH. Will the gentleman yield?

Mr. MADDEN. Certainly.

Mr. LONGWORTH. Has the gentleman any information as to the cause of the large falling off in the revenue?

Mr. MADDEN. My judgment is that many people who showed large profits previously, and where the largest number of returns were made, showed losses, and that they also employed means by which they avoided the payment of taxes on account of the large surtax.

Mr. LONGWORTH. Does not the gentleman think that it can be accounted for in large measure by the enormous amount of money that has been invested in tax-exempt securities?

Mr. MADDEN. Yes. They avoid the payment of taxes in all ways that they can. They do not invest their money in business enterprises that would give employment to men and women, but they invest the surplus in nontaxable securities.

Mr. LONGWORTH. Has the gentleman any accurate information as to the amount of nontaxable securities outstanding?

Mr. MADDEN. We did not go into that, and I do not know.

Mr. LONGWORTH. I noticed by the report of the Secretary of the Treasury that the amount is increasing to the extent of a billion dollars a year. An estimate says that there is at least \$15,000,000,000 now outstanding which of course escapes taxation altogether.

Mr. MOORE of Virginia. Will the gentleman from Illinois yield for me to ask a question of the gentleman from Ohio?

Mr. MADDEN. I will.

Mr. MOORE of Virginia. Does the department undertake to collect statistics in connection with income-tax returns that tend to show to what extent investments are now represented by tax-exempt securities?

Mr. LONGWORTH. I do not think they undertake to do that, but the fact is that a number of very rich men in the last few years have been investing in municipal bonds and other tax-exempt securities.

Mr. MOORE of Virginia. It seems to me that it might be possible for the Treasury Department to gather statistics along that line which might prove very important. I had an inquiry the other day from my own State to which I was obliged to reply by saying that I did not believe such statistics are now available.

Mr. LONGWORTH. I do not think they are available, and I do not think the Treasury Department has any machinery to get them accurately.

Mr. LONDON. Mr. Chairman, if the gentleman will yield, I believe in the income-tax returns of the last year there was a question which called for an answer as to the amount of money invested in various bonds, and that should have supplied the information.

Mr. LONGWORTH. There was a suggestion made by some gentlemen in the Treasury Department as to the possibility of providing in the revenue law a different method of taxation for income derived from municipal bonds, but it has never gone any further than that, so far as I know.

Mr. FREAR. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. FREAR. The Secretary of the Treasury, or at least those in the department, have stated to our committee that they had no basis for fixing that sum, but Doctor Seligman, who was before our committee, made the statement that at least \$20,000,000,000 were subject to investment by those who desire to so invest.

Mr. LONGWORTH. The \$20,000,000,000 did not represent merely the amount of municipal securities, but also Liberty bonds, and so forth.

Mr. FREAR. All securities that would escape taxation.

Mr. CRISP. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. CRISP. Will the gentleman advise the House how many are employed in the Internal Revenue Department?

Mr. MADDEN. I think about 22,000, of whom 3,900 are in the prohibition unit.

I have only a few minutes of time left, and I do want to state some things that I think the House would be interested in. Since 1917 it may be interesting for the House and the country to know that the Government has collected in taxes through the Internal Revenue Department the sum of \$21,558,531,640.48. It is also interesting to note that there was assessed and collected as a result of these audits, audits on returns submitted by taxpayers, the sum of \$1,230,209,618. That amount has been collected on underpaid schedules. That is to say, the taxpayer filed a schedule, and the audit showed that his figures were not sufficient to meet his obligation to the Government,

and a new assessment was made, and upon the assessments since 1917, up to the present time, resulting from these audits over \$1,320,000,000 have been collected. On overpaid schedules there have been claims by the taxpayers for refunds, and the audits made up to the time they have the information show that the payments amounting to \$102,547,448.39 had been paid. I think this is a remarkable showing. Out of \$21,000,000,000 less than one-half of 1 per cent has been returned so far because of overpayment. It is true that all of the audits have not been made. We are still auditing the consolidated returns for 1917, and the force is being concentrated on the audit of the 1917 consolidated returns because the statute of limitations runs by the 4th of March next, and it is hoped that all of these returns will be audited and all assessments made for any underpayments before the statute runs.

Mr. CRISP. Is it the policy of the Treasury Department when this audit has been filed, if the taxpayer has overpaid, for the Government to notify the taxpayer?

Mr. MADDEN. It is. They have now so completed the system that when they discover a taxpayer has overpaid, they send a certificate of credit for the amount of the overpayment to the internal-revenue collector of the district in which the man resides, with a request that the collector look up the record of the taxpayer's obligations to the Government, if any, and if he owes the Government anything in that particular district he deducts the credit from what he owes.

Mr. CRISP. I asked the question because we have all had cases where our constituents have been writing to attorneys here in Washington.

Mr. MADDEN. They have now a very perfect system, and they do not approve of any overpayment or credit until after it has been sent to the local internal-revenue collector and he checks it up and it comes back again with his O. K. The matter goes through three or four or five processes before the record is completed.

Mr. ANDREWS of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. ANDREWS of Nebraska. I understand that for the fiscal year ending June 30, 1922, there were about 20,000 unadjusted claims for refund of taxes paid in excess, and the statement of the commissioner showed that he was running behind about 20,000 each year, and that every two years he would run behind one year in the adjustment of those claims.

Mr. MADDEN. The record shows that they are making an advance.

Mr. ANDREWS of Nebraska. How many years will it take them to get up to date?

Mr. MADDEN. Of course they are auditing on the consolidated returns for 1917 now, and nobody could tell how long it would take, but on the personal income taxes under the 1040 form, as I understand, they are nearly current.

Mr. ANDREWS of Nebraska. The report I have from the commissioner over his own signature would show he is running behind one year in two, and according to that rate he never would catch up.

Mr. MADDEN. This is where we are getting to, but still—

Mr. FESS. Will the gentleman yield for a question?

Mr. MADDEN. I will.

Mr. FESS. I have a great many inquiries asking in reference to the audit of 1917, 1918, 1920, and up to the present time, and I have reported that the audit will be given of 1918, and our friends ask why can they not have all at once. I do not know how to answer them.

Mr. MADDEN. They are working on the consolidated return of 1917, because they want to complete that work before the statute of limitations runs.

Mr. MACLAFFERTY. What is a consolidated return?

Mr. MADDEN. A consolidated return is a return made by a corporation like the United States Steel Company, where there is a parent corporation and a number of subsidiary corporations and an ascertainment of taxes due from each corporation connected with the parent corporation—that is the one thing that makes the difficulty of auditing.

Mr. FESS. How shall I reply to business friends in my State asking why these audits can not be made for the full term instead of in one year?

Mr. MADDEN. The reason that they can not be made for the full term is that they can not complete the work in time without running counter to the statute of limitations. That is the reason.

Mr. HUDSPETH. Will the gentleman yield?

Mr. MADDEN. I will.

Mr. HUDSPETH. The gentleman makes provision for payment of refund of income taxes?

Mr. MADDEN. We make provision for \$12,000,000, which, of course, is a bagatelle. We have some before us; in fact, it is a matter already in our committee under a request for \$42,000,000 appropriation.

Mr. HUDSPETH. That will be in the form of a deficit?

Mr. MADDEN. That will come in a deficiency bill.

Mr. HUDSPETH. When will that be passed?

Mr. MADDEN. We hope to bring it in as soon as possible. We will not delay it.

Mr. DOWELL. Will the gentleman yield?

Mr. MADDEN. I would like to finish this one statement, and then I will answer any questions anybody wants, if I have the time. I promised time to a number of gentlemen; and if I do not give it to them, they will feel hurt about it. I want to talk a little about the Bureau of Printing and Engraving. For nearly 40 years the utilization of the most improved type of machinery in the Bureau of Engraving and Printing has been a disputed and contested question. The legislation on the subject for the most part has been a restriction upon the most efficient administration of the plant. As early as 1886 there appeared a limitation on the appropriation to the effect that no part of the sum should be used for the purchase or operation of any new improved plate-printing presses.

The CHAIRMAN. The Chair desires to notify the gentleman from Illinois that he has used 45 minutes.

Mr. MADDEN. I shall take 10 minutes additional. This was followed from time to time by restrictive legislative provisions, among them being the prohibition against the repair or construction of steam plate-printing presses, and later a prohibition against the increase in the number of steam plate-printing presses. Still later a law was enacted requiring that all bonds, notes, and checks should be printed on hand-roller presses. In 1912 the permanent law now affecting the bureau was enacted. It provided, in effect, that the Secretary of the Treasury might utilize power presses for printing the backs—mind you, backs of paper money—and bonds and the fronts and backs of checks. The law also provided that in printing the backs of paper money that four subject plates should be used. It also provided that in the execution of any year's work on power presses not more than one-fifth of the hand presses should be displaced in one year. It left the printing of the faces of all paper money on hand presses from four subject plates. In 1917, after the outbreak of the war, when it was seen that the war work of the Government could not be turned out with part modern and part antiquated equipment, a law was enacted authorizing the Secretary of the Treasury to utilize whatever printing presses or power presses he might desire, so long as he was able to retain in the service the same number of qualified plate printers as were engaged in the work. That is to say, it did not make any difference how much modern machinery you put in, you could not put any man out. This authority was for the period of the war with Germany.

In 1919 this authority was extended during the period of the emergency growing out of the war with Germany, with the same stipulation that in the utilization of power presses and the adoption of any improved style of printing the Secretary of the Treasury must be governed by the restriction that he must still retain the same number of permanent plate printers. So to-day we are brought face to face with the situation where the bureau is unable to proceed any further with the installation of power presses. The emergency has come to an end, and the Treasury Department will be forced to operate under the provisions of 1912, which is a permanent law. There are in the Bureau of Engraving and Printing at the present time 242 power presses and 246 hand presses. A power press can produce from three to four times more work in a day than a hand press.

A hand press requires a plate printer and one assistant, and a power press requires a plate printer and two assistants. The labor cost of printing a thousand sheets from eight-subject plates on a power press is \$7.95 for the faces of the notes and \$6.60 for the backs. The same labor cost per thousand sheets from four-subject plates on a hand press is \$15.70 for the faces. This shows a difference of \$7.22 in favor of the power press and the eight-subject plate over the hand press and the four-subject plate.

Now, there is no difference in the quality of the work performed, as the best experts in the land testify.

Mr. KELLY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. No; I can not yield until I finish this. I have not much time. I am stating the facts. If gentlemen want to be guided by the facts, they have them here.

The counterfeiting of a power-press note is no easier than of a hand-press note, so the Chief of the Secret Service testified. Most of the counterfeits are being made by photographic processes. The sole question involved here, gentlemen, is whether the Government should retain the hand presses and give employment to a larger number of plate printers and their assistants than would be used in the operation of the power presses. The installation of 58 power presses will do away with the utilization of 196 hand presses. Two employees to each of the 196 hand presses requires 392 employees; 3 employees to each of the 58 power presses requires 174 employees. The difference between 392 and 174 gives a reduction of 218 persons under the power-press plan. But it will be even more than that. The committee has recommended the installation of 58 power presses and the displacement of 196 hand presses. In order that the power presses may be fully utilized it also recommends authority to enable the Secretary of the Treasury to utilize the printing plates that carry more than four subjects each.

At the present time under the temporary law only 40 power presses are engaged in printing the backs of the United States currency from eight-subject plates and 23 presses are engaged in printing the faces on the eight-subject plates. All the remainder of the 175 power presses are printing from four-subject plates, notwithstanding the fact that 80 per cent more work can be produced in a day on an eight-subject plate press than is produced on a four-subject plate press.

There is no difference in the quality of the work produced from the eight-subject plates and the four-subject plates. The utilization of eight-subject plates will further reduce the number of employees below the 218 stated in the bill. The plan which the committee recommends shows an immediate economy in its operation.

There has been provided in the bill the sum of \$355,000 for the purchase and installation of 58 power presses. It is expected that this will be accomplished by June 30, 1923, if the item is included in the bill. There have been reductions on account of the plan recommended as follows: From the appropriation for pay of plate printers and assistants we recommend the reduction of \$746,555, and from the appropriation for pay of other employees \$50,000, or a total reduction of \$796,555. Then we add \$355,000 for the purchase of presses. We deduct that from the other sum, and it leaves you a net reduction of \$441,000. While the net reduction shown here is only a little more than \$400,000 for 1924 it will be seen that in the ensuing years, after the presses have been paid for, there will be anywhere from \$800,000 to \$1,000,000 annual saving in the conduct of the Bureau of Engraving and Printing.

The CHAIRMAN. The gentleman has consumed the allotted time.

Mr. MADDEN. I will take five minutes more.

The CHAIRMAN. The gentleman takes five minutes more.

Mr. MADDEN. Now, if the provision which the committee recommends is not retained in the bill I shall be compelled to offer amendments restoring to the bill the amounts above stated, because the reductions have only been made on the condition that the provision in the bill is to be adopted.

The committee does not present any new, untried plan. Half of the presses of the bureau are now power presses. Their capacity and efficiency have been long tried and established. Much of the Government's money in the past few years has been printed, front and back, from eight-subject plates. This method of printing has been proven efficient. The sole question in what the committee proposes, stripped of all other considerations, is whether or not the House is willing to place the Bureau of Engraving and Printing upon a basis that will permit it to operate at an annual cost of anywhere from \$800,000 to \$1,000,000 less than it is now costing. Even though it may mean the elimination from the pay roll of that bureau of several hundred worthy employees, should there be any hesitation about the proper thing to do in the interest of the taxpayers of the country?

I do not think so, and I would consider myself criminally negligent if I knew the facts that I have stated to you and did not present the case to the House for its consideration. [Applause.] I know it is not popular, but I do not care whether it is popular or unpopular in any department of the Government [applause], or whether I am here one day or one year. [Applause.] Wherever I find anything in a department, any practice that ought not to exist and for which the taxpayers of the Nation are paying without justification, I will present the case to you for your decision. That is what I am doing here to-day. [Applause.]

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. BLANTON. And the evidence on page 323 shows that this one item alone ultimately is going to save \$1,377,000 a year.

Mr. MADDEN. Yes; that is right.

Now, as I said, the whole subject that is with us here is, Should there be any hesitation about the proper thing to do in the interest of the taxpayers of the country, who are insisting that the Government business should be placed upon the most efficient basis? To say to the Secretary of the Treasury that he shall operate half the power presses and half the hand presses is about equivalent to saying to the head of any other department, "Mr. Secretary, you must operate half of your forces making your reports in longhand writing, while the other half is to be employed in operating typewriters."

That is what it means. Gentlemen, the responsibility is ours. We may hurt somebody in dispensing with their services, and I am the last man in the world who would try to do an injury to any man; but we have an obligation here. We are under oath to do our duty, and our duty is clear. [Applause.]

We do not hesitate to put the employees out of other departments. We are demanding a reduction in the forces everywhere. Now, the question arises, What is there peculiarly holy about this particular department that justifies the continuation of a practice there that exists nowhere else? If there is anybody here who wants to assume the responsibility of keeping the present antiquated methods in vogue, I have done my duty when I present the case to you. It is now in your hands. I leave it in your keeping. You can do your duty as you see fit. I have done mine as I conceived it. [Applause.]

The CHAIRMAN. The gentleman from Tennessee [Mr. BYRNS] is recognized for one hour. [Applause.]

Mr. BYRNS of Tennessee. Mr. Chairman, it is not my purpose to enter at this time upon any discussion of the pending bill. I shall probably have something to say about some of its provisions when we read it under the five-minute rule. I do want to submit very briefly some remarks with reference to the Budget that has been presented to Congress by the President for the year 1924. I shall do so in a very general way at this time because, frankly, I have not had an opportunity to analyze closely the many thousand items and the various details and provisions contained in this immense Budget. I was away from the House and from Washington on Monday when it was sent to Congress, being absent on a mission of the House, and I only secured a copy of it within the last 36 hours, and on account of other official duties have not had opportunity to closely analyze it, as I expect to do later. What I shall say will not be said in a partisan spirit. The Budget law was not a partisan bill. It was favored by both Republicans and Democrats and was put through Congress practically unanimously.

Everyone in the House, of course, wishes to see the Budget system perfected and to see it accomplish what it was intended to accomplish in the way of a great saving and economy to the people. Constructive criticism will prove helpful in its administration and should be welcomed by those who wish for its fullest success. I have no criticism of the new Director of the Budget, Gen. H. M. Lord, who, in my judgment, is one of the most efficient and clever gentlemen it has been my good fortune to know. He is a man of wide experience and great energy, and has undoubtedly devoted his untiring time and attention to the preparation of this Budget. Of course, General Lord is under limitations, because he acts only as the business representative or business agent, so to speak, of the President. He can initiate no independent policies of his own, but must carry out, as he should, the policies of the President, who appointed him.

Neither would I detract from the President of the United States, whom the chairman of the committee [Mr. MADDEN] declared to be the first President who has ever given any time or attention or study to Budget details. In view of some of the statements contained in his message transmitting the Budget, I have wondered just how much time he gave to the study of its details. I submit that he is the first President upon whom was ever devolved specifically by law the plain duty to give attention to the details of the Budget. Before the Budget law was passed there was no responsibility whatsoever resting upon the President of the United States with reference to it, and gentlemen who were here and voted for that law will recall that that was the chief argument in its support; that is, that it imposed a personal responsibility upon the President of the United States in the transmission of the estimates for appropriations. I submit, gentlemen, that a very cursory analysis of this Budget will show that when you eliminate those appropriations which

were made for this fiscal year 1923 for activities which everyone knew would not be required next year, the estimates for appropriations for 1924 exceed the appropriations for 1923, and the same is true of the estimated expenditures for 1923-24, and it is my purpose to demonstrate the truth of this statement by an actual citation of the figures.

Mr. MOORE of Virginia. Before the gentleman does that may I interrupt him for a moment?

Mr. BYRNS of Tennessee. I take pleasure in yielding to the gentleman from Virginia.

Mr. MOORE of Virginia. I approved the enactment of the Budget law and voted for it, just as I think the gentleman did. But my attention is called to this fact, that ordinarily the Budget estimates are reduced by the Committee on Appropriations, and I think the action of the committee is generally followed by Congress. Now, that being true, what does the gentleman think is the practical value of the operation of the Budget system? If there were no Bureau of the Budget sending in estimates, does the gentleman think that the Committee on Appropriations would do differently from what it now commonly does in reaching its conclusions and reporting the appropriation bills? Or does the work of the Bureau of the Budget serve in some very valuable way to guide or direct the action of the Committee on Appropriations?

Mr. BYRNS of Tennessee. I will say to the gentleman that I think it does. General Lord in a hearing before the Committee on Appropriations this morning stated, if I am correct in my recollection, that the Budget Bureau had reduced the estimates submitted to him as director in the sum of \$180,000,000.

Mr. MADDEN. Three hundred million dollars from the first or preliminary estimates and \$180,000,000 from the last.

Mr. BYRNS of Tennessee. Three hundred million dollars from the first or preliminary estimates and \$180,000,000 when they were finally made up and transmitted to Congress, and the gentleman from Virginia can readily see that that has not only saved the committee a great deal of work in the effort to eliminate that immense sum of money and to get at an actual proper basis for appropriations, but that possibly Congress might have overlooked some of the reductions that General Lord with his large force was enabled to make.

Mr. MOORE of Virginia. Was or was not the Committee on Appropriations usually in the habit of cutting the departmental estimates just about in the same way in which the Bureau of the Budget now cuts those estimates before it transmits them to Congress?

Mr. BYRNS of Tennessee. That is true, and an examination of the appropriations during all of the past years will show that. There may be a question raised by some as to whether it was done as scientifically as it is done by the Budget Bureau, because the gentleman will appreciate the fact that naturally the Bureau of the Budget, with a force costing \$150,000 a year and with numerous experts and accountants who are continually on this service from month to month through the entire fiscal year, is better able to scientifically eliminate excessive appropriations where there is a disposition to eliminate them than a committee which sits here and must depend upon sending for bureau heads and other officials connected with the Government for the information sought. And right in that connection I want to refer to the President's message on the Budget and to this particular language. He says:

We now come to the estimates of appropriations for 1924, amounting to \$3,078,940,331.69. This is \$195,298,359.14 less than the appropriations already made for the current fiscal year, 1923. Early in July I called together in open meeting for the third time the executives constituting the business establishment of the Government and at that time further emphasized the need of more rigid economy in the expenditure of public funds. I stated that the estimated receipts for the fiscal year 1924 would not permit so liberal appropriations for that year as had been made for the current fiscal year, 1923. The preparation of the estimates of appropriations as they appear in the Budget was controlled by this policy.

Now, listen:

While it may be possible to make a small reduction in an item here and there, any material reduction will necessitate a change in the administrative policy upon which estimates of appropriations for the fiscal year 1924 are based.

I do not know whether the President intended by that language to say to Congress that it should not reduce these estimates or not. I do know that many of the eastern papers construed it as a declaration on the part of the President to Congress that the administration would very earnestly disapprove any action of Congress in reducing the estimates submitted by him to Congress. If that was the purpose of the President, I think acquiescence in it would be most unfortunate. Even this bill has reduced the estimates over \$3,000,000, and I take it that other bills, where it will be possible to make larger reductions, where charges are not fixed, as they are in this bill,

will make greater reductions. If we ever get to the point where Congress, on account of the passage of this Budget law, permits the President, through the Director of the Budget, to make up the appropriations for Congress and the country, it will prove to be very unfortunate that the Budget system was ever adopted. And I say this as one who was a member of the select committee which framed the Budget law.

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. BYRNS of Tennessee. I will.

Mr. GRAHAM of Illinois. Apropos to what the gentleman is saying, what did the Budget say or recommend as to the change in the Bureau of Engraving and Printing? Did they recommend this change?

Mr. BYRNS of Tennessee. I do not think so.

Mr. GRAHAM of Illinois. That was done by the committee?

Mr. BYRNS of Tennessee. That was done by the committee. Let me say that I was not here when the hearings on this bill were had, having been detained at home by illness in my family, but I do not think there was any recommendation by the Budget Bureau on that point.

Now, I stated a moment ago that, if you eliminate from the 1923 appropriations those appropriations which everyone knew would not be necessary to carry for 1924, the appropriations asked for 1924 will exceed those of 1923.

I wish to say again that I am only making this statement for the purpose of giving to the country what I believe to be the facts. I think the time has come when we should quit camouflaging on appropriations made by Congress. The Director of the Budget and Congress camouflaged for the past two years in the effort to make the people believe that some real economy was being effected, but I think we ought to tell the country the real truth. The people are entitled to the facts about the appropriations and the administration, and Congress ought to quit hedging in the effort to cover them up.

What are the facts? The President commented with some degree of pride on the fact that the estimates for 1924 are \$195,298,359.14 less than the appropriations for 1923, and he made the statement that this was made possible by economies and savings brought about by him. Let us see if that is true. That excludes the Postal Service. If you include the Postal Service, it will make a difference of \$169,656,934.14. I wish to say here that although it has been the custom of Congress, both Democratic and Republican, for years, I have never been able to understand why in submitting the estimates and discussing the appropriations the Postal Service is always excluded. I know that we derive the revenue that is spent for the Postal Service from that service. But it has always seemed to me that there ought to be estimates made to Congress of the entire money necessary to run the Government, and that the cost of the Postal Service should be included, the money derived therefrom being at the same time counted as a part of the general receipts instead of balancing the expenditures off with the receipts.

I want to call attention to the fact that in the estimates submitted it is stated that in 1924 the Government will expend \$12,250,000 for reclamation purposes, as against \$14,800,000 which was appropriated in the fiscal year 1923. That is a difference of \$2,550,000. Yet the Budget, instead of estimating the full amount of \$12,250,000, deducted from that sum \$7,500,000, which it is estimated will be secured from rentals, and so forth, and only estimates for \$4,750,000, thus creating a false balance in its favor for 1924 over 1923 of \$10,050,000.

In addition to that, in the Navy authority is asked to use \$23,200,000 in the naval supply account fund for the purchase of materials and as cash, and that should have been included in the estimates in order to show the full facts. These two items if allowed aggregate \$33,250,000, which should have been added to the estimate and which would have brought the above figures down to \$162,000,000, or, including the Postal Service, down to \$136,000,000.

But I want to call attention to the further fact that the estimates for the year 1924 do not include \$150,000,000 interest appropriated in 1923. In other words, we appropriated for 1923 \$1,100,000 to take care of the interest on the public debt and \$125,000,000 accrued discount on war-savings certificates. This year we are asked to appropriate only \$950,000,000. So, as a matter of fact, we are asked to appropriate for 1924 \$150,000,000 less in interest, and certainly the administration and the Budget Bureau is not entitled to take credit for that as a saving to the people of the United States. And yet that sum of \$150,000,000 is included in the statement that the President made, that it was \$195,000,000 less than the appropriation for 1923.

But that is not all of the story. The appropriations for 1923 carry increased compensation or what is commonly called the bonus, which it is estimated will cost \$38,000,000, that is not estimated for in 1924. I do not know whether Congress will allow it or not, but certainly it should be taken into consideration when you compare the estimates of 1924 with the appropriations for 1923. I have heard it stated that the bonus will be passed for the next fiscal year unless the reclassification bill goes through the Senate, and that seems unlikely, in the opinion of some. Whether it was left out of the estimates because there is no statute for it, or whether it was left out with the idea that Congress would appropriate it anyway, and therefore it was not necessary to include it in the estimate, I do not know. I can see how its omission has helped to swell the figures which are claimed to show reduction in ordinary expenditures.

When you add that \$38,000,000 to the \$150,000,000 you have \$188,000,000. But that is not all. The estimates for 1924 reduced the 1923 appropriations for military and naval compensation by forty-two million and odd dollars. Certainly the administration is not entitled to credit for the \$42,000,000 as a saving to the people of the United States. It is due to a reduction in the Army and the fact that we are getting further away from the war, and not to any saving on the part of the President or the Bureau of the Budget or the Congress or any other governmental agency.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Certainly.

Mr. GARRETT of Tennessee. Of course the attitude of the administration was one of intense opposition to the reduction in the size of the Army?

Mr. BYRNS of Tennessee. Yes.

Mr. GARRETT of Tennessee. At the time when Congress forced the reduction?

Mr. BYRNS of Tennessee. Yes.

Mr. GARRETT of Tennessee. For which now credit seems to be sought.

Mr. BYRNS of Tennessee. The gentleman is clearly correct. If the administration had had its way with reference to the size of the Army and the Navy, we would not have had any such reduction as they are now taking credit for, as the gentleman from Tennessee so well suggests. So when you analyze the estimates submitted for 1924, even in this cursory way, you will find that eliminating only those three appropriations for 1923, for which the administration can take no credit, the estimates for 1924 exceeded the appropriations made for 1923 by \$94,000,000. A close analysis of the Budget will show other items which will add to this sum.

In addition to that, I call attention to the fact that this bill makes immediately available certain sums—for instance, \$200,000 for the customs service—and the Budget Director has submitted several provisions making the funds appropriated for 1924 immediately available upon the passage of the act. I think something like \$24,000,000 are made immediately available for the Pension Bureau. I think that is a bad precedent. I think it is bad policy, and I so stated to the director this morning in a hearing which we had. The passage of the Budget law—the division of all these appropriations by departments—was intended to give the people of the country an exact picture of the appropriations made, and if there are to be deficiencies for 1923 of \$24,000,000 in the Pension Bureau, if there are to be deficiencies of \$200,000 in the customs service, if there are to be deficiencies in the Coast Guard they ought not to be taken care of by making the appropriations for 1924 immediately available, but they ought to be appropriated for in a direct way through a deficiency bill, so that every Member of Congress and the people of the country will know what is being done, because when you make a 1924 appropriation immediately available for expenses in 1923, necessarily you will have to make a still larger appropriation in 1925 for 1924 unless you swell the appropriations for 1924 beyond their proper level.

Mr. TILSON. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. TILSON. The gentleman would admit, however, that a case like that on page 35, of an appropriation for power presses should be made immediately available? In fact, is it not necessary that they may be installed in time to effect the savings?

Mr. BYRNS of Tennessee. There might be some justification for that, but there is no reason why a deficiency bill could not be proposed and passed carrying an appropriation for that purpose. There can certainly be no sort of justification for making

immediately available a fund in the Pension Bureau or in the Customs Service or in the Coast Guard and other services.

Mr. LONDON. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. LONDON. I understood the gentleman to say that the payment of interest was \$150,000,000 less, or will be that much less for 1924.

Mr. BYRNS of Tennessee. No; I said the appropriation would be \$150,000,000 less.

Mr. LONDON. For the payment of interest?

Mr. BYRNS of Tennessee. Yes.

Mr. LONDON. The public debt has been reduced only \$1,000,000,000. How does the statement of \$150,000,000 saved in interest accord with that statement?

Mr. BYRNS of Tennessee. That includes the accrued discounts on war-savings certificates issued in 1918.

Mr. LONDON. That is a part of the public debt.

Mr. BYRNS of Tennessee. That is true; but they became payable on January 1 of this year. I think they were sold originally for \$4.20, but they will be cashed on the 1st of January for \$5, and it will take \$125,000,000 to pay them.

Mr. LONDON. But the \$125,000,000 will go to the payment of principal indebtedness.

Mr. BYRNS of Tennessee. Yes; on January 1.

Mr. LONDON. So that \$150,000,000 does not represent interest alone?

Mr. BYRNS of Tennessee. No; it represents interest and a part of the debt. I have discussed the question of Budget estimates, and I want now to hurry along.

Mr. BLANTON. Mr. Chairman, right there, before the gentleman leaves that question, can he tell us, if he knows, whether or not it was known to this department and its heads that this deficit of \$24,000,000 existed several months ago, and that he would require an appropriation in a deficiency?

Mr. BYRNS of Tennessee. Does the gentleman mean in the Pension Bureau?

Mr. BLANTON. Yes.

Mr. BYRNS of Tennessee. I do not know just when it was discovered.

Mr. BLANTON. It has been known for some time, has it not?

Mr. BYRNS of Tennessee. The estimates were required to be placed in the hands of the Budget Director on October 1.

Mr. BLANTON. And he knew that he would run short at least \$24,000,000 unless it were allowed in the deficiency?

Mr. BYRNS of Tennessee. I assume that is true.

Mr. BLANTON. Should not that have been included?

Mr. BYRNS of Tennessee. He knows it now, at any rate, and, of course, we will be in session for three months, and an estimate could be submitted as a deficiency in time between now and March to take care of it.

Mr. BLANTON. I am with the gentleman from Illinois [Mr. MADDEN] on the proposed saving of at least \$750,000 on this power-press item, but I am wondering whether or not the gentleman had the consent of the Chief Executive in that proposition, or whether it might be later denominated a "fiasco," as was the gentleman's other amendment on the shipping bill.

Mr. BYRNS of Tennessee. I can not inform the gentleman as to the position of the President on the proposition. Now, just a word as to the estimated expenditures for 1923 as compared with 1924. The President estimates total expenditures for 1923 at \$3,703,801,671. The total expenditures for 1924 are \$3,180,843,234. This, you will bear in mind, excludes the Postal Service. If you add the Postal Service, then the expenditures for 1923 are estimated to be \$4,232,295,942, while those for 1924 are \$3,765,496,386. The ordinary expenditures for 1923 are \$2,240,329,871, while those for 1924 are \$1,849,120,234. That is exclusive of the Postal Service and permanent appropriations. The difference between the expenditures of 1923 and 1924, exclusive of the Postal Service, is estimated to be \$322,958,487, while if you include the Postal Service the difference is \$466,799,566, and that is claimed to have been brought about by a saving or economy upon the part of the administration under the Budget system. Let us see if this is true. The excess of expenditures in 1923 over 1924 in the Federal control of railroads, the payment of standard contracts made with the railroads during the war, is \$116,000,000. Certainly the administration and no other official is entitled to take credit for this difference of \$116,000,000 as a saving or an economy in departmental policies. It simply means that these contracts, having been settled in 1923, will not be a charge on the Government in 1924. In the transportation act, in the payment of guaranties, and so forth, there will be paid this year \$51,543,447 more than will be paid in 1924. In military and naval compensation, \$5,000,000 more in 1923 than 1924. In vocational rehabilitation, \$20,000,000 more in 1923 than 1924. We know, of course, that

as we get further from the war the expense of vocational rehabilitation will decrease, not by reason of any economy effected by the Government, but by reason of the less number of persons who are to be rehabilitated.

Mr. LONDON. Will the gentleman yield for a question?

Mr. BYRNS of Tennessee. I will.

Mr. LONDON. What are the guaranties under the transportation act to which the gentleman referred?

Mr. BYRNS of Tennessee. Of the 6 per cent guaranteed to the railroads and allowances.

Mr. LONDON. That is the provision?

Mr. BYRNS of Tennessee. In the Esch-Cummins law.

Mr. LONDON. In existing law?

Mr. BYRNS of Tennessee. Yes; the Esch-Cummins law, which is now on the statute books.

Mr. LONDON. I understand no guaranties are being paid now.

Mr. BYRNS of Tennessee. This sum is to be paid this year, I will say to the gentleman, and includes advances, guaranties, and reimbursements. No such payments are required in 1924. Hospital facilities, \$1,000,000 excess this year over next year; hospital service, \$18,960,171. Naturally, as we will be further from the war there will be a less number of patients in the hospitals next year than this year and it will cost less money. The expenditures for Army pensions in 1923 will exceed those of 1924 by \$25,000,000, due, of course, to the fact that the pension roll is decreasing on account of death, and not to any saving or economy on the part of the administration. Alaskan Railroad, they will spend \$1,300,000 more in 1923 than 1924, when I understand it is to be completed. Navy public works, \$9,509,500 more will be spent in 1923 than 1924 on work which will be completed. I am not referring to new projects estimated in the Budget, but I am talking about work under way. In addition to that, customs drawbacks, they estimate, will be \$15,000,000 less in 1924 than in 1923. Refund of taxes, \$87,112,000 more this year than will be expended in 1924. Public works, post offices, and hospitals, \$11,133,250 more in 1923 than 1924. Loans to railroads—we will loan this year, according to the estimates, \$23,000,000; nothing next year. Increased compensation this year will be \$38,000,000. Whether Congress will make an appropriation for 1924 I do not know.

If you add to these sums the interest of \$150,000,000 spent this year in excess of the amount required in 1924 you have a total of \$572,558,768, as against a difference of expenditure exclusive of Postal Service in 1923—24 of \$522,958,487, or a total expenditure of \$466,000,000, and I repeat when you eliminate from this Budget those items which are necessarily eliminated, because we are either further from the war or because they are activities which cease during this year, there are not only no such saving and no such reduction as was indicated in the figures submitted by the President, but there is an actual increase by many millions in the expenditures of 1924 as compared with 1923. I wish to say again that the administration and Congress ought to quit this camouflaging in the effort to mislead the people into the belief that great savings are being made. They should be frank with the people and let them know the full truth in regard to the expenditure of their money.

Now, in conclusion I want to call attention to another fact. The Budget Bureau and the President in their desire to reduce the estimates have reduced the estimates for rivers and harbors from the appropriation made in 1923 by \$15,000,000.

That is carried in the War Department bill. In other words, the Budget Bureau has increased the estimated expenditures of military activities in the War Department in the sum of \$10,134,123. They propose to spend that much more money for strictly military purposes in 1924 than in 1923, but at the same time, in the same department, they have reduced the nonmilitary activities, including the improvement of waterways and the harbors of the country. Likewise they have reduced the estimates for road improvements to \$30,000,000, notwithstanding the fact that Congress authorized the expenditure of \$65,000,000 in 1924. When it comes to serving the taxpayer and giving the taxpayers who pay the money into the Treasury some benefit from the appropriations we find that the estimates for appropriations to be made in the interest of the business of the country and the taxpayers of the country have been reduced, whereas those not strictly in their interest have been increased.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. I yield.

Mr. BLANTON. It seems to be the continual contention of the distinguished gentleman from Virginia [Mr. MOORE] that the estimates made by the Budget can not be reduced by Congress.

Mr. MOORE of Virginia. Oh, I beg the gentleman's pardon.

Mr. BLANTON. Does he contend they should be reduced?

Mr. MOORE of Virginia. On the contrary, simply that they are reduced.

Mr. BYRNS of Tennessee. I hope the time will never come when Congress will not keep its hands on them.

Mr. BLANTON. I understood here in the debates from time to time that the gentleman from Virginia held that the Congress should not attempt to reduce the estimates made by the Budget.

Mr. MOORE of Virginia. No. I will say to the gentleman that there have been items considered here where proposed reductions were made in the estimates sent down by the Budget Bureau, and for reasons based on facts that appeared to me I contended that those reductions should not be made; but I would not for a moment lay down a general rule.

Mr. BLANTON. I am glad the gentleman puts it that way, because I have always thought it should be the rule for the Budget to establish a maximum beyond which Congress could not go, but that Congress might hew below that maximum as much as possible.

Mr. BYRNS of Tennessee. Congress has never intended to take—and I hope it never will take—its hands off the Budget or permit the Budget Bureau or any other department of the Government to lay down its estimates and have Congress accept them without question.

Mr. BLANTON. Otherwise we would be simply "passing the buck"?

Mr. BYRNS of Tennessee. Yes.

Gentlemen, as I have been showing, there must be a considerable reduction in the expenses of the Government to permit a reduction of taxation, which the people expect—

Mr. LAZARO. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. LAZARO. When the gentleman finds that they have cut below, as in the case of waterways, does he not believe their figures should be increased?

Mr. BYRNS of Tennessee. I think Congress should have the right to increase as well as to reduce; but in most cases the interests of the people would be best subserved by reduction.

Mr. LAZARO. But in certain cases the interests of the people will be served by going above the estimates of the Budget. For instance, in the improvement of the waterways we have gone above once before, and I hope we shall go above this time.

Mr. BYRNS of Tennessee. I heartily approve what the President has said in his message, that Congress must be more careful in the passage of legislation which will involve extra expenditures of money. If it is not, then we can never expect to see a reduction in the cost of government.

Mr. GRAHAM of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. GRAHAM of Illinois. I would like to have the gentleman's view, as representing the views of the minority, on this Bureau of Engraving and Printing matter. Does the gentleman agree with the chairman of the committee [Mr. MADDEN]?

Mr. BYRNS of Tennessee. I speak not for the minority, but for myself alone.

Mr. GRAHAM of Illinois. Do you personally agree with him?

Mr. BYRNS of Tennessee. I was not present at the hearings, owing to illness in my family, but I understand that what is involved in that proposition is simply the question of whether or not the Government will dispense with 218 employees who are not needed or whether it will retain them at an expense of between \$750,000 and \$800,000, and perhaps more, every year.

And certainly it seems to me that when the proposition is viewed in the interest of the taxpayers and an overburdened Treasury, no Member of Congress can afford not to subscribe to the action of the committee in this matter. Heretofore objections have been made to it, and Members possibly voted against it on the theory and on the ground that the printing of the notes by power presses would give rise to increased counterfeiting and make counterfeiting easy. But when experts come before Congress, when the Chief of the Secret Service, who has charge of the enforcement of the law against counterfeiting, tells the Congress and the committee that it will not have that effect, that it will not make counterfeiting any easier, then, of course, those who oppose the proposition are robbed of the reason, which has been pleaded so effectively heretofore. The only proposition now is whether or not we will dispense with 218 employees who, the department says, are not needed, and save to the taxpayers \$800,000 annually. It seems to me there can be but one answer to the question. We

read in the newspapers a few days ago that several thousand typewriters and stenographers and other employees were to be dispensed with in the Veterans' Bureau shortly. I think that appeared in the morning papers a few days ago. What reason can be advanced—

Mr. MADDEN. Under this bill the services of over 500 people in the Public Debt Service are dispensed with.

Mr. BYRNS of Tennessee. Yes. This bill, as the gentleman from Illinois correctly says, dispenses with the services of more than 500 employees in the Public Debt Service.

Now, how can a man be consistent in voting to dispense with their services and at the same time decline to vote to dispense with the services of employees in the Bureau of Engraving and Printing, or of any other department of this Government, when it is made clear to everyone that their services can be dispensed with without injury to the Government?

Mr. GRAHAM of Illinois. Personally I do not think you can decline, if their work is just as good.

Mr. BYRNS of Tennessee. We must take the word of those in charge of the work. The director and everybody who has testified has stated that the work can be done just as effectively.

Mr. FAIRFIELD. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. FAIRFIELD. I understand the gentleman to say that the net saving would be \$800,000 a year?

Mr. BYRNS of Tennessee. It is stated that it will be \$800,000 a year at least.

Mr. FAIRFIELD. It will be that after you have marked off the cost of the presses?

Mr. BYRNS of Tennessee. Oh, yes. The presses are provided for in this bill. They cost \$5,000 apiece; 58 presses. That will be the initial cost. That will be about \$300,000. If you save \$800,000 a year, you will save \$500,000 of that sum the first year and have the presses for future use.

Mr. LAZARO. Mr. Chairman, will the gentleman yield to a question for information?

Mr. BYRNS of Tennessee. Yes.

Mr. LAZARO. I have heard it said that if this change is made there will be more danger of the country being flooded with counterfeit money. Has the gentleman given any thought to that matter?

Mr. BYRNS of Tennessee. I was not present at the hearing and did not get the opportunity to go into it fully myself, but that was gone into by the subcommittee that had charge of the hearing; and the Chief of the Secret Service, Mr. Moran, stated that it would not make counterfeiting any easier; that as a matter of fact counterfeiting is now done by photography; and that it is as easy to photograph a note or bill printed on a hand press as it is one printed on a power press; that it will not affect the number of counterfeits in the least. That is the opinion of the expert who for years has had charge of the enforcement of the law against counterfeiting in the United States, and I have full confidence in him and his opinion.

Mr. ANDREW of Massachusetts. Will the gentleman yield?

Mr. BYRNS of Tennessee. I yield to the gentleman from Massachusetts.

Mr. ANDREW of Massachusetts. Does the gentleman know whether hand presses are used in the printing of money in any other country or by any commercial firm?

Mr. MADDEN. The American Bank Note Co. uses power presses, and that company uses power presses for printing jobs that require many more than eight subjects, the largest number required in the printing of our paper currency.

Mr. ANDREW of Massachusetts. They print money for a great many different countries.

Mr. MADDEN. For a great many other countries in the world, and I will say to the gentleman that they have applied for the privilege of bidding on the printing of the Federal reserve notes, and the Treasury has the power to let the contract to them, and if by any chance they should get the contract because we are not able to meet the prices that they can make, that one thing alone would throw 1,100 people out of employment in the Bureau of Engraving and Printing. So they had better let us modernize the place and keep the people that we can keep there and not have some outside concern come in and close up the shop.

Mr. REED of West Virginia. Will my colleague yield?

Mr. BYRNS of Tennessee. I yield to the gentleman.

Mr. REED of West Virginia. Has the gentleman heard that the American Bankers' Association, representing 11,500 bankers, at their annual convention a few weeks ago passed a resolution asking that we return to the method of production of our currency in use prior to the war? Is it not a fact that the bankers of the country are vitally interested in this question

because bankers, more than any other class of business men, are the persons who detect the counterfeit issues put in circulation?

Does the gentleman know whether or not in good faith the bankers' association passed such a resolution, are they experts as to paper money, and are they qualified to testify as to what is necessary in keeping up the quality of the currency of the country, and thus protecting the people from loss through the activities of counterfeiters?

Mr. BYRNS of Tennessee. I have not heard of the action of the bankers' association, but during the war, as the gentleman knows, we were using cotton as the material for our paper money because we could not get linen. Cotton is objectionable for many reasons, but now we are using three-quarters linen, I think. Is not that correct?

Mr. MADDEN. Three-quarters linen.

Mr. BYRNS of Tennessee. And it is expected that in a very short while we will be using practically all linen as the material for our paper money. I have not heard of the action of the bankers' association. But if the gentleman refers to a fear that this money may be more easily counterfeited, I will say to him as I have said a couple of times heretofore that the man who is in charge of the enforcement of the law against counterfeiting states positively that it will make no difference whatsoever.

Mr. REED of West Virginia. I have a copy of their resolution.

Mr. BYRNS of Tennessee. Without being an expert on the subject, I should think it is much more easy to counterfeit money made out of cotton material than it is money made out of linen material.

Mr. REED of West Virginia. Then it seems to be the opinion of my colleague that the resolution of the bankers' association was directed more to the quality of the paper than the methods of engraving and printing?

Mr. BYRNS of Tennessee. Oh, yes; because there has been no change up to this time in the method of printing or engraving currency. That matter is being corrected just as rapidly as possible, because, as I said to the gentleman a while ago, during the war the Government was necessarily compelled to make its money out of cotton material. Now it is returning to the linen and is already using three-fourths linen. So I think the objections or criticisms, or whatever you choose to call them, of the bankers' association are being met by the Government.

Mr. REED of West Virginia. Did the committee give an opportunity to those interested in the question to present fully the facts as to whether or not the hand presses cause the production of a more sharply printed surface, which makes counterfeiting more easily detected than when the flat surface given by the power press is used?

Mr. BYRNS of Tennessee. I was not present at the hearings, on account of illness in my family, but I know that very full hearings were had, and that everybody who wanted to appear before the committee was permitted to do so, as they always are permitted to appear. Nobody, I feel sure, was shut out or prevented from making any statement which he desired to make.

Mr. MacLAFFERTY. Will the gentleman yield?

Mr. BYRNS of Tennessee. I yield to the gentleman from California.

Mr. MacLAFFERTY. Is it not a fact that the opinion of the head of our Secret Service is based upon a very wide experience, and that any counterfeiting that took place would finally be reported to him? Therefore can we get any higher authority to advise us in this matter than the head of the Secret Service?

Mr. BYRNS of Tennessee. I do not think there is any better authority, and for my part I am willing to accept his judgment.

Mr. Chairman, I yield the floor. [Applause.]

Mr. MADDEN. I yield 15 minutes to the gentleman from New York [Mr. MAGEE].

Mr. MAGEE. Mr. Chairman, I have got in front of these contrivances, because I think they are a consummate nuisance in the House. [Applause.] In talking out of doors to people several blocks away they are probably all right, but here in the pit of the Hall of the House, in this famous forum, where men look each other in the face when engaged in bitter and partisan debate, I like to hear the voice as nature created it, unaltered by mechanical devices. [Applause.]

Mr. Chairman, the pending bill carries an appropriation of \$9,000,000 for the enforcement of prohibition, \$250,000 less than the appropriation for this fiscal year. My brief remarks will raise only one point—the rights of the people under the eighteenth amendment. Existing conditions are so intolerable, dis-

respect, defiance, and violation of law so prevalent and insistent, so threatening to our institutions, so endangering to the perpetuity of the Republic, that I feel it my duty to express my views. I have always stood for temperance and against intemperance. I hold no brief for "drys" or "wets." I hold a brief only for my country.

I am sworn to uphold and enforce the Constitution and the laws of the United States, and while I remain a Member of the House, regardless of my personal views, I will faithfully live up to my oath of office. During my years of service in the House I have voted at every opportunity to give to the people their full constitutional rights, and while I remain a Member of the House I shall continue to do so.

Those favoring the eighteenth amendment contended that it was necessary to amend the Federal Constitution to bring about and to enforce prohibition in this country. When the amendment was adopted the Congress proceeded to attempt to enforce prohibition through legislative action, disregardful of the letter and the spirit of the amendment. The fiat of the Congress was substituted for the authority of the Constitution.

The enforcement act is practically bone dry. The eighteenth amendment is not. The amendment, amongst other things, prohibits "the manufacture, sale, or transportation of intoxicating liquors within * * * the United States * * * for beverage purposes." It is apparent that the people are entitled to a beverage containing any alcoholic content that is reasonably nonintoxicating. The law should be based upon reason, and reason should also prevail in permitting the use of alcohol for scientific and business purposes and in permitting the use of liquors under prescription from physicians. I think that the Judiciary Committee of the House, and I refer to that great committee only because under the rules of the House it has jurisdiction in the premises, should reasonably determine upon competent and expert evidence the maximum alcoholic content permitted under the amendment and make available the evidence sustaining its finding in order that Members of the House not on the Judiciary Committee may be able to determine for themselves the reasonableness thereof. This finding of fact is solely the duty of the Congress.

I have examined the opinions of the Supreme Court upon matters arising from prohibition legislation and I find nothing therein contrary to this view. It is not to be presumed that this great tribunal would disturb such a finding of fact honestly, conscientiously, and reasonably found by the Congress and based upon competent and sufficient evidence to sustain the same. Of course, the power of the Congress in this respect is not unlimited. A finding of fact not based upon sufficient evidence might well be held to raise a question of law. In Two hundred and fifty-first United States, 220, the court said: "We can not say, as a matter of law, that a beverage containing not more than one-half of 1 per cent of alcohol is intoxicating."

In determining the maximum we must bear in mind that there exists for our consideration not a war-time power involving the defense and preservation of the Nation, but a constitutional power involving the rights of the people in time of peace. Then, I think, the Congress should provide that each State may determine in its own way, by legislative action or by referendum, what alcoholic content not exceeding such maximum a beverage manufactured and sold within the State may contain. If Minnesota wants cold water, let her have it. [Applause.] If New York wants the maximum, no other sovereign State could reasonably object. [Applause.] This would be not only reasonable but just and equitable, inasmuch as the eighteenth amendment gives to the several States concurrent power to enforce prohibition. We can render no better service than to do all that lies within our power to command respect for and obedience to the Federal Government, the bulwark of our institutions.

The phrase "beer and light wines," while seductive, is meaningless under the Constitution. The question is purely one of alcoholic content. The Congress has no power and should not attempt to nullify the Constitution. The manufacture and sale of beer and light wines, or either, must be incidental to the maximum alcoholic content permissible under the eighteenth amendment.

Two objections are frequently made against liberalizing the enforcement act. One objection is that it will mean the restoration of the saloon. The answer is the elimination of the saloon through Federal enactment. The other is that it will mean an entering wedge for the repeal of the eighteenth amendment. This objection lacks force. As thirteen States can block repeal, it can reasonably be presumed that the eighteenth amendment is in the Constitution to stay. However, any excuse for denying to the people their constitutional rights is untenable and indefensible.

The granting of such rights would probably result in a beverage, at a reasonable price, manufactured from pure ingredients under governmental inspection, and sold only in the places and in the manner prescribed by the Government; in greatly reduced appropriations for the enforcement of prohibition; in increased Treasury receipts of more than a half billion dollars a year, not exacted from overburdened taxpayers but cheerfully paid by citizens in the exercise of their constitutional rights; in the elimination of the production and consumption of poisonous and deadly concoctions; and, above and beyond all, in the restoration of a wholesome respect for law and the Constitution and in public cooperation in the upholding and enforcement thereof.

Let us have the courage, the courage that knows no fear, the courage that obliterates self, the courage of the men who have made this Nation great, to grant unto the people the rights guaranteed to them under their Constitution. [Applause.]

Mr. MADDEN. I yield six minutes to the gentleman from Ohio [Mr. FESS].

Mr. FESS. Mr. Chairman, I think it a source of regret that such a competent, able, likable Member as our friend from Texas gives such a presentation as he does once in a while, and it is a rather difficult thing for us to maintain our equilibrium and our respect for him when he speaks as he has just spoken. While he amuses himself about our situation at Lausanne he ought not to overlook the fact that the United States is leading that conference just now, and the one person to whom the world listens more than to anyone else over there is the American representative, because he speaks his country's judgment, unhindered by any commitment by European decision. But that is not what I intended to say. I wish that the membership of the House would take time to examine the last report of the Secretary of the Treasury with special reference to certain facts—the refund of the debt, on pages 3 to 9; the economy in Government expenditure, pages 10 to 11; the argument on the tax-exempt securities, on page 13; the domestic-credit situation, which, in my judgment, is a very wonderful statement of a remarkable achievement, on page 32; the War Finance Corporation and its operations, on page 37; the agricultural credit situation, on page 40. Those are some of the leading items of interest to the country just now, and they are wonderfully set out.

When the historian details the after-war problems and their solution, special commendation will be made of the brilliant financing of the Government obligations. Measured by the size of the problem, its complications, its possible dire results, its difficulties to overcome, the success of the Treasury Department, while not spectacular, is the most brilliant since the days of Alexander Hamilton.

The present Secretary of the Treasury found a public debt of February 28, 1921, \$24,049,527,788.58. Of this amount nearly three billion was unfunded or floating, representing borrowings from banks on short term. Here were liquid assets representing at least seven billion commercial credit, tied up by a Government policy of financing from hand to mouth; credits frozen and prevented from flowing into productive industry, the results of which was industrial depression from want of liquid capital.

The first step of the present policy was to thaw out these credits, release the assets of the banks for commercial purposes by inviting the investing public to absorb the credits rather than compelling the banks to take the obligation. Interest rates were ranging high, rediscount rates reached 7 per cent, and Liberty bonds had gone, some of them, as low as \$81.7. When first offered the rates were 5½. To-day these obligations cost the Government only 4½, saving to the Government 1½ per cent. Money thus became easier, interest rates to the public began to fall, investments increased, industry at once revived, and unemployment began to disappear. An examination shows that call money fell from 6 to 4 per cent, and bankers' acceptances of 60 to 90 days fell as low as 3 per cent June of this year. Rediscount rates fell from 7 to 4 per cent, or almost 50 per cent.

The general effect of this financing brought the Government's credit from the low point to par, and in several cases to a premium. It is estimated that here alone the appreciation amounts to not less than \$2,500,000,000 to the holders.

This remarkable showing was due to the employment of sound business financing in which the Treasury made possible the disposition of securities on an investment basis with a view of their distribution among real investors rather than the banks. By this method the Treasury has been able to undertake the most stupendous refunding operation to handle the seven billions of Government obligations due in 1923.

On June 30, 1921, there were at least \$7,000,000,000 due within two years, including \$4,000,000,000 in Victory notes, \$2,500,

000,000 Treasury certificates, and \$650,000,000 war-savings stamps. During the fiscal year at least \$1,000,000,000 were retired or paid off. To refund the \$6,000,000,000 remaining without business disturbance was the problem.

To-day all this enormous amount except \$1,658,000,000 have been refunded, and within a short time this amount will be reduced to \$715,000,000. All this has been accomplished so successfully in a way that business has not felt the strain, and only those who watch the current of Government financing were aware of the achievement. The obligations were so placed as to avoid embarrassing industry and permitting the Government to meet them when due without further strain either of the taxing power or the money market.

The danger of a deficit of \$650,000,000, not including the \$125,000,000 interest on war-savings stamps, will fade if the policy of economy continues. With the receipts of \$225,000,000 interest on foreign debts, \$300,000,000 of back taxes collected, \$125,000,000 from the liquidation of the War Finance Corporation, and \$115,000,000 estimated additional customs revenue from the Fordney Tariff Act the deficit will be most probably wiped out.

This Nation has balanced its budget, reduced its public debt by over \$1,231,102,975.41, financed its loans, thawed out its frozen credits, released its assets for industry, made banking easier, lowered rates of interest and rediscounts, revived business, banished unemployment, and brought the Government credit back to par. This achievement will challenge the record for an equal performance in the history of finance. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. FESS. May I have some more time?

Mr. MADDEN. I am sorry I have no more time left.

Mr. FESS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by printing the balance of this statement.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

There was no objection.

Mr. MADDEN. Unless the gentleman from Tennessee [Mr. BYRNS] objects, I will yield 10 minutes to the gentleman from Wisconsin [Mr. FREAR].

The CHAIRMAN. The gentleman from Wisconsin is recognized for 10 minutes.

Mr. FREAR. I will ask the gentleman from Tennessee [Mr. BYRNS] if I may have five minutes if necessary?

Mr. BYRNS of Tennessee. I yield to the gentleman five minutes.

The CHAIRMAN. The gentleman from Wisconsin is recognized for 15 minutes.

Mr. FREAR. Mr. Chairman, I have a clipping, taken from the Associated Press, which shows that Secretary Mellon denounces a statement made by Governor Blaine, of Wisconsin, that he—Mr. Mellon—is not enforcing the law. In the statement Mr. Mellon refers to a number of letters that he has "written to Representative FREAR" on the subject. This is the statement carried by the Associated Press:

MELLON DENOUNCES BLAINE STATEMENT—DECLARES THERE IS NO BASIS OF TRUTH IN CHARGES MADE BY WISCONSIN GOVERNOR—TAX LAW ENFORCED, HE SAYS—SPEECH MADE TO PROGRESSIVES CALLED BY TREASURY HEAD APPEAL TO CLASS PREJUDICE.

[By the Associated Press.]

Replying yesterday to the address by Governor Blaine, of Wisconsin, before the meeting of progressives Saturday, Secretary Mellon declared the Wisconsin governor "distorts my statement and endeavors to portray an injurious situation which does not exist" with reference to the collection of incomes and surtaxes on excess profits.

"Criticism of public officials and of their administration," said Secretary Mellon, "is commendable and useful to the people where there is laxity and ineffective service in the conduct of office, but when wholly unjustifiable and without any basis of truth, it is harmful, as in this instance, and can only be understood as an appeal to class prejudice in a selfish effort to obtain some political capital."

The Internal Revenue Bureau is administering the revenue law impartially, Mr. Mellon asserted, and is applying it to large corporations and wealthy individuals, as well as to others. The Secretary referred to the letters he had written to Representative FREAR, of Wisconsin, some weeks ago, and declared they had definitely explained the question of taxation as applied to stock dividends and corporation surpluses, to which Governor Blaine particularly referred in his speech.

"The taxes imposed by existing law are being completely enforced to the fullest extent which the law prescribes," the Secretary added, "and any further action in this respect would have to be in the nature of the taxes levied by Congress."

Mr. Chairman, I have no brief from Governor Blaine, nor have I directly or indirectly discussed Mr. Mellon or tax matters with him. I do not know on what evidence Governor Blaine made his charges when discussing taxation before the progressive conference. I do know that all the letters written

by Secretary Mellon to me, and found in the RECORD of November 28, contain nothing but general denials or assertions, and avoid specific charges I have made in letters to him.

Let me courteously, but frankly and publicly, put questions to Mr. Mellon that he has thus far refused to answer.

Have you, Mr. Mellon, imposed a single penalty under section 220 or prior law which requires you to do so whenever accumulated surpluses of corporations are held in order to avoid payment of individual surtaxes? This section was a continuance of authority contained in prior laws cited you in my letter of October 23, 1922.

In this connection, I call your attention to Standard Oil of New Jersey's statement of 775 per cent net profit in 10 years, or 77½ per cent net profit annually, of which over 400 per cent is alleged to be held in surplus for stock dividends. Also Atlantic Standard Oil, with 900 per cent stock dividends recently declared; Vacuum Oil, with 300 per cent stock dividends, and many other companies quoted in the press. Have you made any demands on such companies for the facts or have you imposed any penalties?

I repeat a press statement previously quoted in my letters to you, which says you have not, and based on such statement and your failure to answer I allege you have not.

Did you, Mr. Mellon, begin the stock dividend melon cutting with a 200 per cent dividend for Gulf Oil, your own company? Did Standard Oil only follow your lead? Did you fail to penalize yourself or that company? Again, on information in my hands I charge these to be the facts.

Stock dividends from corporation surplus declared within the last three months are estimated at nearly \$2,000,000,000 in addition to former cash dividends, which in case of Standard Oil, United States Steel, and many other companies represent extortionate prices charged the general public. What cases, if any, have you penalized to check the merry riot now filling the financial columns of the press?

You say in your letters these are secret records, under your control as such. That is what Governor Blaine, I understand, has condemned.

You state in the press dispatch that you are enforcing the law impartially. I can not set forth the facts in my possession but I am informed that an organized coterie of agents has existed for pressing tax refunds and tax contests on the Treasury. These statements have been made to me by several men.

I now ask a direct question that an investigation will disclose. Is it true that due to legal evasions possible under existing law, disclosed by the secret records of your office, that Mr. Rockefeller, Mr. Morgan, Mr. Mellon, and others of great wealth are not paying one-fifth of the income tax they are popularly supposed to pay under the law based on their wealth, due to investments in tax-free securities, stock dividends, trusts, stock and bond exchanges, and other forms of tax avoidance? I gather this is so from your official report, issued to-day.

These are matters that Congress has permitted to remain secret for no logical reason, apparently, and I am hoping your answers will be specific, so that the necessity for full publicity of Treasury records can be determined by Congress.

Mr. Chairman, I have written Secretary Mellon to that effect and here repeat the statements in substance. * * *

As the amount of penalties and taxes alleged to be involved reaches many millions of dollars, I submit the facts presented in the correspondence offered on November 25 contained in the RECORD of November 28 warrants such action on his part, and I invite his aid to that end.

Mr. Chairman, any review of cases that amounts to more than a whitewash of the Government's tax administration must have presidential permission to inspect departmental records. Such records ought to be made public by law.

I have briefly charged that upwards of \$2,000,000,000 in corporation-accumulated surpluses are disclosed to be given out as stock dividends. That Secretary Mellon's own Gulf Oil Co. started the wild melon-cutting race. That one purpose of sudden disclosures of huge profits is due to fear by great interests that tax laws by future Congresses may reach the enormous excess profits and tax dodging now practiced under Secretary Mellon's régime. That the tax administration of the internal-revenue office is still influenced by a small group of men in and out of the office whose activities have become a public scandal and that millions of dollars in penalties and surtaxes can be collected if the law is enforced affecting surpluses.

Mr. Chairman, the report of Secretary Mellon given to the press to-day makes confession of a shameful condition disclosed in the Treasury taxing machinery.

He devotes an entire page of his report in describing tax-dodging, tax-evading, tax-escaping methods employed by men

of large wealth. It is the most serious indictment of great financiers ever given to the public.

After a miserable confession of assumed weakness of present laws and of a tax administration that "permits" this situation to exist, he proposes a complete surrender to tax dodging by reducing surtaxes from 50 per cent on incomes over \$200,000 to 25 per cent, thus placing a premium on tax dodging which he fails to reach.

Knowing Secretary Mellon's great wealth, his personal interest, his associates, and his opposition to surtaxes, excess profits taxes on undistributed profits, inheritance, and other tax legislation passed by Congress, is it not time for the financial adviser of the administration to put forth his own efforts to stop accumulated surplus tax fraud evasions that reach many millions of dollars of lost income to the Government, due to his failure to enforce existing law? Is it not time the Treasury records were made public, when Secretary Mellon permits the man of large wealth to escape because that man knows how to dodge the law but holds the small taxpayer down to the limit? That is new doctrine in this country, and reviewing his proposal we may well say of his report "Verily the mountain has labored hard to bring forth a mouse." Is it not strange and significant that no recommendations for curative laws whereby tax evasions can be restricted are found in the report. No proposal to reduce the surtax will meet the situation. All we need to do is to enforce the law and pass such additional laws as may be found necessary to protect the Treasury from tax evasions. [Applause.]

Mr. Chairman, I believe Secretary Mellon is personally a man of high integrity but I believe he has failed to enforce the law because of his environment, and, judging from the recorded statements before our committee, he has no understanding of the importance of it. I could pick out a dozen men before me whom I believe, if placed in that position, would enforce the law and recover the penalties, and with them the surtaxes that would be released, reaching hundreds of millions of dollars.

But a situation confronts us, and I am placing it before the House without any personal feeling or partisanship. It makes no difference who the individual is. I have the highest respect for Mr. Mellon personally, but I say we can not close our eyes as a Congress to the fact that this law is here, and that he makes no recommendation for any law to cure conditions except by virtue of a long-distance constitutional amendment. Doctor Seligman says there are \$20,000,000,000 worth of these securities out to-day. It is useless to try to pass a constitutional amendment to prevent their issue when \$20,000,000,000 of tax-free securities are open for investment. What we need is enforcement of existing law and real curative tax legislation that I have proposed in the Mellon correspondence. I shall submit the "Mellon correspondence" with this discussion for information of those who are interested.

I repeat that in my opinion Secretary Mellon should impose the 25 per cent penalty provided by section 220 on the enormous accumulated surpluses of corporations not needed in the business, leaving it for the corporation wherever possible to do so to justify its acts. In this I believe one of his own companies by declaring a 200 per cent stock dividend served to invite others to follow until 900 per cent stock dividends and even 1,600 per cent stock dividends have been among the surpluses that are reported and will thus avoid payment of personal surtaxes.

For this reason, if these accumulations are to be reached a retroactive tax on undistributed profits should be enacted by Congress to reach personal tax evasions on such part of \$2,000,000,000 or more paid in stock dividends as may seem proper to reach. It would also seem proper in view of enormous profits disclosed after the repeal of the law that the excess-profits tax law be reenacted affecting profits over 8 per cent or other reasonable exemption, and in order to reach unconscionable profits now exorted by corporations that fix prices without fear of competition.

Other legislation I submit calls for publicity of all Treasury tax records, for inheritance and gift tax laws or amendments, and other matters disclosed by the Macomber Supreme Court stock dividend decision.

Mr. Chairman, I ask leave to extend my remarks in the RECORD by inserting the Associated Press article contributed by Secretary Mellon's statement.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

There was no objection.

Mr. FREAR. Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The gentleman yields back two minutes. Mr. BYRNS of Tennessee. Mr. Chairman, I yield seven minutes to the gentleman from Kentucky [Mr. GILBERT].

The CHAIRMAN. The gentleman from Kentucky is recognized for seven minutes.

Mr. GILBERT. Mr. Chairman, whenever any question is before this House affecting immediately or remotely the enforcement of the eighteenth amendment, the great majority of this House on that question is subjected to a lecture for lack of statesmanship and sincerity by gentlemen from Baltimore and New York, and I for one am getting a little tired of it. [Applause.] Why the "famous statesman from Baltimore" should feel called upon to thus reflect upon the motives and intelligence of his colleagues I am not aware, but for the gentlemen from New York, their right must not be questioned. After all, is not it known as Greater New York? Is not it a fact that a majority of its population are foreign born? I hasten to withdraw such a plebeian expression. I should have said, did they not come from abroad, or to use a commercial term, are they not imported? Is it not a fact that within this sacred citadel is located the great palladium of learning and virtue, the Bowery? But it is not why the gentlemen from New York are so superior, suffice it that the fact exists. They have intimidated it on the floor, and, if consulted in private, I have no doubt would admit it themselves.

Whenever you attend a cheap show in this city you are indicted with a disgusting abuse of the prohibition laws. The cheaper the show the more disgusting the abuse. In fact, so similar are many thrusts that we hear there to those we hear here in the House that we are led to suspicion a common inspiration.

If there is any policy of this Government in the framing of which I had a small part and of which I am proud and in which I was sincere it is its policy to rid itself of the liquor traffic. This traffic thrived upon the misery it created and fattened upon the miseries of other vices that it encouraged. Even in villages it would sell its drunk-making concoctions in the front room, foster gambling in the back room, and encourage prostitution upstairs.

The wonder is not that the decent people of this country choked this serpent but that they endured its slime at all. Working together in this effort stood the women and children, the church and the school, while opposed to it stood equally as united the gambler, thug, and the prostitute. When did sincerity, enlightenment, and other virtues leave this first class and take up its abode in the second? So earnest and sincere were those advocating this reform that they did not stop until they had written their achievement upon the Nation's sacred scroll, the Constitution of the United States. So determined and vindictive yet is the small minority opposing that they do not bow in humble submission but stand out in open defiance of the Constitution itself.

Yet those familiar with its history need not be surprised. When this country was young and the immortal Washington was its great President, the first rebellion against its authority—mind you, in open arms—was the whisky rebellion. As it was its first, so it is now its last. In every community when the local government sought in any way its regulation or improvement this traffic immediately plotted its overthrow. It is at this hour scheming and devising its own resurrection. It is backed by influential friends and great resources. There are those Members of this House giving it aid and comfort. The final repeal of the eighteenth amendment is its known aim, though I have not heard its advocates on this floor have the sincerity to confess it.

It has been asserted that the number of crimes against the United States has increased and that the expense of enforcing the prohibition law is great. That the crimes against the United States are increasing is natural, because an entire field of State jurisdiction has been delegated to the Federal Government, and while crimes against the United States have increased, all other crimes which flourished during the liquor traffic and cognizable only in State courts have in a much greater proportion decreased. I speak from knowledge when I say that the doors to the county jails in my district, jails that were often crowded, now frequently stand open. Men in my county who led in the forces of the wets are now embarrassed when reminded of it. What matters it to the people who pay the bills if their taxes are increased to suppress Federal crimes if their State taxes are still further decreased by lack of local crimes? Violations of the liquor laws are now carried on by organized criminals, and their violation is not the minor matter as is the violation of other crimes, but savors of treason itself. This Government can not exist unless it can vindicate its power to enforce every law. The greater the expense now

incurred, the more vigorous the prosecutions now inaugurated, the sooner will the power of this Nation be vindicated and the least expense result in the end.

We, the residents of the small towns and the great rural districts, see the benefit of these laws and, frankly, we intend to enforce them regardless of the jibes of the cheap vaudeville monologists, in spite of the reflections of the "all-wise" statesmen from the great metropolis where vice best thrives, and in spite of the antics of the distinguished "horseman from Maryland." [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. MADDEN. Mr. Chairman, how much time have I?

The CHAIRMAN. Two minutes.

Mr. MADDEN. How much has the gentleman from Tennessee?

The CHAIRMAN. Four minutes.

Mr. MADDEN. The gentleman from Wisconsin [Mr. FREAR] yielded back two minutes.

The CHAIRMAN. The gentleman from Illinois has four minutes.

Mr. MADDEN. Will the gentleman from Tennessee [Mr. BYRNS] use some time?

Mr. BYRNS of Tennessee. I promised the gentleman from Maryland [Mr. HILL] that I would yield to him.

Mr. MADDEN. I will yield to him my time.

Mr. BYRNS of Tennessee. Mr. Chairman, I will yield to the gentleman from Illinois my time.

The CHAIRMAN. The gentleman from Maryland is recognized for six minutes.

Mr. HILL. Eight minutes, Mr. Chairman. There were four minutes on each side.

The CHAIRMAN. The Chair is informed that there is just six minutes left.

Mr. HILL. Mr. Chairman, I desire to thank both sides of the House for this expression of confidence in yielding me this time. [Applause.] I might say that in the next House of Representatives, on the bases of the votes cast for me in the recent election, I shall be about 50 per cent Democrat and 50 per cent Republican. [Applause.]

Mr. Chairman, I wish to explain to the House in brief these amendments, which I consider perfecting amendments, which I propose to offer on page 27 of the bill H. R. 13180, which is the pending Treasury appropriation bill.

I do not think any of my colleagues here will be surprised to know that the section to which these amendments are directed is the section appropriating \$9,000,000 for the use of the prohibition enforcement unit in the Treasury Department.

As a preliminary to a discussion of certain elements of this bill I desire to put in the RECORD the provisions of this section, which are very short. I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

Mr. KETCHAM. I object.

The CHAIRMAN. The gentleman from Michigan objects.

Mr. HILL. I have not the time to read the section which the gentleman has prevented me putting in the RECORD by his objection, but the sum of \$9,000,000 is appropriated for the prohibition unit. I have six amendments here which I propose to offer at the proper time.

The first amendment strikes out any appropriation for Federal Prohibition Commissioner Haynes's personal press-bureau publicity.

The second amendment strikes out an appropriation of \$139,000 to \$150,000 for the violation of the Volstead Act itself and of the State prohibition laws by permitting agents of the Federal prohibition unit to purchase liquor which they claim they want for evidence purposes, in violation of law.

The third amendment is one which will save a great deal of money to the country. It provides that none of the money appropriated shall be used to pay the expenses for stump speeches before private organizations made by the Federal prohibition commissioner or his assistants. If I have the time I want to discuss that.

The next amendment is a provision which strikes out of the appropriation bill the appropriation for legal advisers, assistant counsel, special counsel, attorneys, or law clerks to the prohibition commissioner, on the ground that they can not interpret the law as it exists, and are therefore useless. I have the evidence for that. For months I have tried to get from the prohibition office a definition of what "nonintoxicating" means in title 2, section 29, of the Volstead Act.

Mr. LINEBERGER. Will the gentleman yield?

Mr. HILL. Briefly.

Mr. LINEBERGER. I suppose the object of all this is to make the law absolutely inoperative.

Mr. HILL. No; the object is to have an effective way of preventing the sending all over the United States of what I might call bootleg grapes from the gentleman's State. [Laughter.]

Mr. LINEBERGER. The gentleman admits that his amendments would make the law absolutely inoperative?

Mr. HILL. No. I also propose that law enforcement be transferred from the Treasury Department to the Department of Justice, which the gentleman and those whom he represents oppose.

Mr. LINEBERGER. I suppose the gentleman is an authority on all this?

Mr. HILL. No; the gentleman is not an authority, but he was United States attorney for five years, and has had some experience in honest law enforcement; that is all.

Mr. LINEBERGER. Some experience.

Mr. HILL. Some experience.

The next amendment which I propose to offer is an amendment providing that none of the money so appropriated shall be used for propaganda issued by the prohibition enforcement unit to defeat Members of Congress because of their votes in Congress. I have the evidence that Federal Prohibition Commissioner Haynes has so expended funds of the unit.

The next amendment provides for ultimate transfer of law enforcement to the Department of Justice, where it belongs, and where I for one can not understand why the Anti-Saloon League will not permit it to go. I introduced a bill for this purpose in April, 1921.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. HILL. How much more time have I?

The CHAIRMAN. The gentleman has two minutes and a half remaining.

Mr. HILL. I yield to the gentleman briefly.

Mr. SUMMERS of Washington. Are all of these amendments which the gentleman proposes intended to strengthen the Volstead Act?

Mr. HILL. All of these amendments are made for the purpose of attempting to obtain honest law enforcement. I am glad the gentleman asked that question.

Mr. TINCHER. Will the gentleman yield for a question?

Mr. HILL. No; I can not yield unless the gentleman will get me more time.

Mr. TINCHER. The gentleman may have all the time he wants as far as I am concerned.

Mr. HILL. Will the gentleman try to get me more time?

Mr. TINCHER. Yes.

Mr. HILL. I am very glad the gentleman from Washington asked that question, because I have here Bouvier's Law Dictionary and I want to read to you the definition of lynch law.

Lynch law: A common phrase used to express the vengeance of a mob inflicting injury and committing an outrage upon a person suspected of some offense.

I want to say to you as a premise to what I wish I had the time to say in full to this House, that no unit of the United States Government which quotes with approval lawless violence by the Ku-Klux Klan should receive a \$9,000,000 appropriation from this Government.

I hold in my hand one of the daily newspaper publicity prints issued by the Federal prohibition commissioner, and I want to read to you part of it. I hope I will have time to read the specific language that I object to.

Mr. CRAMTON. Will the gentleman yield?

Mr. HILL. Will you get me some more time?

Mr. CRAMTON. I ask unanimous consent that the gentleman's time be extended five minutes.

The CHAIRMAN. The time is fixed by the House.

Mr. HILL. I thank the gentleman from Michigan for his effort.

Mr. ANDREWS of Nebraska. Will the gentleman yield? The gentleman is in favor of the return of the saloon, as I understand? [Applause.]

Mr. HILL. No; I am not in favor of the return of the saloon, and if the gentleman had paid any attention to the speeches I have made he would know it.

Mr. ANDREWS of Nebraska. But the gentleman's speeches argue for the saloon and not against it.

Mr. HILL. That shows that the gentleman is not a lawyer.

Now I wish to read this statement issued by the Federal prohibition commissioner:

"Release afternoon papers."

The CHAIRMAN. The time of the gentleman has expired.

Mr. HILL. I ask unanimous consent for one minute more.

The CHAIRMAN. The time has been fixed by the House.

Mr. HILL. I want only to read this one thing.

The CHAIRMAN. The time of the gentleman has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

OFFICE OF THE SECRETARY.

Salaries: Secretary of the Treasury, \$12,000; Undersecretary of the Treasury, to be nominated by the President and appointed by him, by and with the advice and consent of the Senate, who shall receive compensation at the rate of \$7,500 per annum and shall perform such duties in the office of the Secretary of the Treasury as may be prescribed by the Secretary or by law, and under the provisions of section 177, Revised Statutes, in case of the death, resignation, absence, or sickness of the Secretary of the Treasury, shall perform the duties of the Secretary until a successor is appointed or such absence or sickness shall cease, \$7,500; 3 Assistant Secretaries, at \$5,000 each; clerk to the Secretary, \$3,000; executive clerk, \$2,400; stenographer, \$1,800; 3 private secretaries, one to each Assistant Secretary, at \$1,800 each; Government actuary, under control of the Treasury, \$1,000; clerks—2 of class 4, 3 of class 3, 2 of class 2, 1 of class 1; chief messenger, \$1,100; 2 assistant chief messengers, at \$1,000 each; messengers—3 at \$900 each, 4 at \$840 each; messenger boy, \$600; in all, \$73,260.

Mr. HILL. Mr. Chairman, I move to strike out the last word.

Mr. BLANTON. Before the gentleman does that I wish to make a point of order against the provision in this paragraph for an Undersecretary of the Treasury.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. BLANTON. The position of Undersecretary of the Treasury is not authorized by law, and it is legislation upon an appropriation bill in violation of the rule.

The CHAIRMAN. Does the gentleman from Illinois wish to be heard on the point of order?

Mr. MADDEN. Mr. Chairman, I can only say that there is no basic law authorizing an Undersecretary. It was created in an appropriation bill at the request of the Secretary of the Treasury two years ago and passed by the House. The House voted on it by roll call, and the salary at the beginning was fixed at \$10,000. The Appropriations Committee cut it down to \$7,500. It is subject to a point of order.

Mr. BLANTON. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. BLANTON. In the beginning we had one Assistant Secretary of the Treasury.

Mr. MADDEN. We had five during the war.

Mr. BLANTON. But that was temporary. Now, in addition to an Undersecretary, we have three Assistant Secretaries.

Mr. MADDEN. That was so before the war.

Mr. BLANTON. I am speaking about what we already have. Three Assistant Secretaries, and this Undersecretary is an entirely new position.

Mr. MADDEN. No; not entirely new.

Mr. BLANTON. Mr. Chairman, I insist on the point of order.

The CHAIRMAN. The Chair sustains the point of order.

Mr. HILL. Mr. Chairman, I move to strike out the last word.

Mr. TINCHER. Will the gentleman yield?

Mr. HILL. After I read this extract.

Mr. TINCHER. Mr. Chairman, I make the point of order that the gentleman is not discussing the amendment.

Mr. HILL. Mr. Chairman, I yield to the gentleman from Kansas. [Laughter.]

Mr. TINCHER. I would like to ask the gentleman whether the amendments that he is to offer should be known and classified as dry or wet amendments?

Mr. WINGO. Mr. Chairman, I make the point of order that the question is not in order. I insist that the debate be confined to the paragraph.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

OFFICE OF THE CHIEF CLERK.

Salaries: Chief clerk, including \$300 as superintendent of Treasury Building, who shall be the chief executive officer of the department and who may be designated by the Secretary of the Treasury to sign official papers and documents during the temporary absence of the Secretary, Undersecretary, and Assistant Secretaries of the department, \$4,000; assistant chief clerk, \$3,000; assistant superintendent of Treasury Building, \$2,500; administrative clerk, \$2,000; clerks—1 \$2,000, 4 of class 4, 1 of class 3, 1 of class 2, 5 of class 1, 1 \$1,000; operator of photographic copying machine, \$800; 2 messengers, at \$840 each; 2 assistant messengers, at \$720 each; messenger boy, \$420; storekeeper, \$1,200; telegraphers—1 \$1,400; 1 \$1,200; telephone and telegraph operator, \$1,200; 4 telephone switchboard operators, at \$720 each; mechanical superintendent, \$2,250; chief engineer, \$1,400; 4 assistant engineers, at \$1,000 each (including 1 for outside buildings); 8 elevator conductors, at \$720 each, and the use of laborers as relief elevator conductors during rush hours is authorized; 8 firemen, at \$720 each; coal passer, \$600; chief electrician, \$1,600; locksmith and electrician, \$1,400; captain of the watch, \$1,400; 2 lieutenants of the watch, at \$900 each; 65 watchmen, at \$720 each; foreman of laborers, \$1,200; assistant foreman of la-

borers, \$840; 8 chauffeurs, at \$720 each; 4 automobile truck laborers, at \$660 each; skilled laborer—1, \$840; 2, at \$720 each; 2 electricians, at \$1,200 each; wireman, \$900; 39 laborers, at \$660 each; plumber, at \$1,100; painter, \$1,100; plumber's assistant, \$780; attendant for emergency relief room, \$660; head of char force, \$720; 85 charwomen, at \$240 each; 2 carpenters, at \$1,000 each. Winder Building and annex: Engineer, \$1,000; 3 firemen, at \$720 each; elevator conductor, \$720; 4 watchmen, at \$720 each; 3 laborers (one of whom, when necessary, shall assist and relieve the elevator conductor), at \$660 each; forewoman of char force, \$480; 12 charwomen, at \$240 each; female laborer for ladies' toilets, \$660. Cox Building, 1709 New York Avenue: Two watchmen, at \$720 each; laborer, \$660. Auditor's Building: Forewoman of char force, \$480; 25 charwomen, at \$240 each; 2 elevator conductors, at \$720 each; 7 laborers (one of whom, when necessary, shall assist and relieve the elevator conductor), at \$660 each; female laborer, \$660; skilled laborer, \$840; in all, \$217,310.

Mr. BLANTON. Mr. Chairman, a point of order. I make a point of order to that part of the second paragraph that refers to the Undersecretary—that provision at the top of page 3 in lines 2 and 3.

Mr. MADDEN. I concede the point of order.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

Treasury Department Annex, Fourteenth and B Streets NW.: Carpenter, \$1,200; plumber, \$1,200; electrician, \$1,200; two mechanics, at \$900 each; captain of the watch, \$1,400; 2 lieutenants of the watch, at \$900 each; 21 watchmen, at \$720 each; janitor, \$1,200; head of char force, \$660; 2 assistant heads of char force, at \$480 each; 70 charwomen, at \$240 each; 8 male laborers, at \$660 each; 4 female laborers, at \$660 each; in all, \$51,260.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word. I would like to ask the chairman of the committee what policy has been adopted in this department, if he knows, with regard to granting an extra half holiday a week to employees.

Mr. MADDEN. I do not think any policy except granting a half holiday in the summer season. I am opposed to any holiday except in the summer season.

Mr. BLANTON. I want to find out about the authority of the department to do that without coming to Congress. I want to know if they have authority to arbitrarily grant holidays. It is given out in the press that the Post Office Department is to give a half holiday a week, that is to begin in January, next month. It is to be made permanent throughout the year. Has that been authorized?

Mr. MADDEN. I only know from what I have seen in the newspapers.

Mr. BLANTON. The gentleman from Illinois has had considerable to do with the Post Office Department.

Mr. MADDEN. I propose to look into it. I am opposed to it except during the hot summer months.

Mr. BLANTON. In the hot summer months no one objects to it, but that applies to all departments. If the Post Office Department gives arbitrarily a half holiday to its employees and requires them to work only five and a half days a week, besides giving them all of the holidays allowed by law, every other department of the Government is going to follow suit.

Mr. MADDEN. That will not be permitted if I have anything to say about it.

Mr. BLANTON. The gentleman is going to take it up with the Post Office Department?

Mr. MADDEN. They are not acting now, but considering the matter.

Mr. BLANTON. They have not been to see the committee about it?

Mr. MADDEN. No; but when they do come, if they do not come voluntarily, we will send for them. We will have a hearing, but we do not propose to inaugurate any such policy.

Mr. BLANTON. Mr. Chairman, I withdraw the pro forma amendment.

The Clerk read as follows:

For washing and hemming towels, purchase of awnings and fixtures, window shades and fixtures, alcohol, benzine, turpentine, varnish, baskets, belting, bellows, bowls, brooms, buckets, brushes, canvas, crash, cloth, chamois skins, cotton waste, door and window fasteners, dusters; flower-garden, street, and engine hose; lace leather, lye, nails, oils, plants, picks, pitchers, powders, stencil plates, hand stamps and repairs of same, spittoons, soap, matches, match safes, sponges, tacks, traps, thermometers, toilet paper, tools, towels, towel racks, tumblers, wire, zinc, and for blacksmithing, repairs of machinery, removal of rubbish, sharpening tools, street car fares not exceeding \$300, advertising for proposals, and for sales at public auction in the District of Columbia, of condemned property belonging to the Treasury Department, payment of auctioneer fees, and purchase of other absolutely necessary articles, \$15,000.

Mr. BLANTON. Mr. Chairman, on page 7, line 4, I move to strike out the word "alcohol."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 7, line 4, strike out the word "alcohol."

Mr. BLANTON. Mr. Chairman, I would like to ask the chairman of the committee what use they have for alcohol.

Mr. MADDEN. It is used for cleaning purposes. We can put in the word "denatured" if the gentleman has any doubts about it.

Mr. BLANTON. I know that they have benzine, and that is for cleaning purposes also.

Mr. MADDEN. They need them both.

Mr. BLANTON. The gentleman does not know what amount of alcohol they have been purchasing which was not denatured.

Mr. MADDEN. Very little.

Mr. BLANTON. Then they have been purchasing alcohol not denatured.

Mr. MADDEN. I do not know that they have.

Mr. BLANTON. Under the law which permits certain Government institutions to withdraw alcohol without paying the tax there has been a number of institutions withdrawing alcohol without paying the tax. I doubt very seriously whether it is used for proper purposes in many instances.

Mr. MADDEN. As far as I am concerned I do not know.

Mr. BLANTON. The gentleman is willing to have an amendment inserting the word "denatured" in front of the word "alcohol."

Mr. MADDEN. I think so.

Mr. LOWREY. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. LOWREY. I want to suggest that I think it is not fair to bring up the question of alcohol in the absence of the gentleman from Maryland [Mr. HILL].

Mr. BLANTON. Oh, the gentleman from Maryland is around here somewhere. You could not get him far away from the Chamber while this bill is under consideration. Mr. Chairman, my attention having been directed to the gentleman from Maryland, I call attention to the fact that he said that in the next House he would be here under a 50-50 vote of Republicans and Democrats, and as his whole argument has been, from the time he first came to this House until the present day, directed against the eighteenth amendment, I call his attention to the fact that the eighteenth amendment was adopted by the legislatures of 46 States, Democratic legislatures, Republican legislatures, just as strongly Republican as he has ever been, and just as strongly Democratic as he can ever claim to be in the next House. It little behooves him to strike at that amendment when two of the smallest States alone refused to adopt it. It is the fixed policy of the Government, and however much he seeks to camouflage his six amendments, however much he seeks to throw smoke screens around them, I am sure that the genial rider of the great white charger from Baltimore must admit that the gentleman from Nebraska [Mr. ANDREWS] was correct when he stated that the object and purpose of it all is to get rid of the prohibition laws and to bring back places—he may not call them saloons—but dives where even now in the city of Baltimore you can go in and get your beer and whisky.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. HILL. I ask the gentleman, for my own private use, if he will not give me a list of the places in Baltimore where he may get beer?

Mr. BLANTON. Oh, I do not want to give the gentleman an opportunity of knowing more places than he probably has access to at the present time; but I have heard that there are places there, as there are in St. Louis and in Chicago and in New York, where men of prominence, who have had five years experience as United States district attorneys, or where men of wealth can go and get what they want, by paying for it.

Mr. HILL. Does the gentleman believe in popular government?

Mr. BLANTON. I believe in the Government of the United States and in the Constitution of the United States, which provides a means for altering it whenever the people get ready to change it.

This eighteenth amendment was provided for in a lawful way. The Congress by an overwhelming vote submitted it to the various States and 46 out of 48 legislatures of States elected by the people approved that law, and it has become the fundamental law of the land, and neither the gentleman from Maryland, I repeat, as the gentleman from Kentucky [Mr. GILBERT] said, nor any other man in this House will have the power to do away with it.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HILL. Mr. Chairman, I ask unanimous consent that the gentleman have one minute more.

The CHAIRMAN. Is there objection?

Mr. MADDEN. I object.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to withdraw the amendment and to modify it by inserting in front of the word "alcohol" the word "denatured."

The CHAIRMAN. The gentleman from Texas asks unanimous consent to withdraw his amendment and modify it. Is there objection?

Mr. LONDON. I object.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

Mr. LONDON. Mr. Chairman, I rise in opposition to the amendment. Of course, the amendment made by the gentleman from Texas to strike out the word "alcohol" was formal. Nevertheless, in a way it is characteristic of the fanaticism of this whole liquor question, of this whole prohibition business. I need not tell you that I am a believer in temperance. I certainly practice it. I never in my life took a drink unless I wanted it. [Laughter.] And that is the real definition of a temperance man, because the intemperate man drinks when he does not want it, when it hurts him. When I voted against the constitutional prohibition amendment I cast what I then believed, and believe now, to be a logical and a consistent vote. If there is any justification for a Constitution, it is because it is intended to protect the individual against the invasion of his rights by the State, against the oppression of minorities by temporary majorities. Constitutions are adopted for the protection of the individual, not for the purpose of checking or curtailing his rights; and for the same reason that I voted for the woman suffrage amendment I voted against the prohibition amendment. The former amendment enlarges human rights, the latter diminishes them.

Of course, I am not a friend of the saloon. The saloon is the worst enemy of democracy. The saloon is the only university that the politician attends. It is the rendezvous of the vilest elements. I am really saddened by the flagrant violation of prohibition law, not only in New York but everywhere. As you enter the smoking room of a parlor car you always notice that somebody is hiding something, and the feeling overcomes you that you are embarrassing a gentleman. If you are a lawyer you immediately take refuge in the legal presumption that the holder of the bottle has it not in violation of law but by virtue of a prescription, and that he is taking it medicinally.

One is called upon continually to witness the violation of a law which is universally disregarded. Those who are interested in temperance, those who are interested in maintaining respect for law, should make a study of the question to determine to what extent we should go as a legislature in liberalizing the eighteenth amendment. Do not force upon the people a law which they can not stomach. Do not assume that you are wiser or better than the great mass of the people. It is the inalienable privilege of a democracy to be wicked if it so chooses, or to be stupid, as it so often exercises that right in voting for Democrats and Republicans, instead of voting for us.

Mr. GILBERT. Will the gentleman be consistent and advocate the repeal of the excessive speed laws and of the laws against reckless driving, because they are universally violated?

Mr. LONDON. Oh, there is a world of difference between the two.

Mr. GILBERT. I understand; but the gentleman was basing his argument upon the ground that the prohibition laws are so frequently violated.

Mr. LONDON. I want you to make a study of the question. I want you to see to what extent it is necessary to liberalize the law so as to adapt yourselves to the real sentiment of the people.

Mr. GILBERT. I want to call the gentleman's attention to the fact that it is not nearly as universally violated as the speed laws by automobiles.

Mr. HILL. Will the gentleman yield?

Mr. LONDON. During the war somebody proposed that the name of the Pacific Ocean be changed because the name was too suggestive of pacifism. The gentleman's objection to the word "alcohol" is in line with that policy.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken, and the amendment was rejected.

Mr. BLANTON. Mr. Chairman, I offer another amendment. Just preceding the word "alcohol," line 4, insert the word "denatured."

The CHAIRMAN. The gentleman from Texas offers an amendment which the Clerk will report.

The Clerk read as follows:

Page 7, line 4, preceding the word "alcohol," insert the word "denatured."

Mr. HILL. Mr. Chairman, I rise to offer a substitute amendment. Substitute the word "nonbeverage."

The CHAIRMAN. The gentleman from Maryland offers a substitute, which the Clerk will report.

The Clerk read as follows:

Substitute for the amendment offered by Mr. BLANTON: Insert the word "nonbeverage" before the word "alcohol," line 4, page 7.

The question was taken, and the Chair announced the noes appeared to have it.

On a division (demanded by Mr. BLANTON) there were—ayes 11, noes 28.

So the amendment was rejected.

The Clerk read as follows:

PUBLIC DEBT SERVICE.

For necessary expenses connected with the administration of any public debt issues and United States paper currency issues with which the Secretary of the Treasury is charged, including rent in the District of Columbia, and including the salaries of the Commissioner of the Public Debt at \$6,000, Deputy Commissioner of the Public Debt at \$4,000, Chief of the Division of Loans and Currency at \$3,500, two Assistant Chiefs of the Division of Loans and Currency at \$3,000 each, Register of the Treasury at \$4,000, Assistant Register of the Treasury at \$2,500, Chief Clerk Office of the Register of the Treasury at \$3,000, Chief of the Division of Public Debt Accounts and Audit at \$3,000, Chief of the Division of Paper Custody at \$3,000, and the salaries of such assistants, accountants, clerks, and other employees in the District of Columbia as the Secretary of the Treasury may deem necessary, \$3,250,000: *Provided*, That no person shall be employed hereunder at a rate of compensation exceeding \$1,800 per annum except as above provided and except the following: One at not exceeding \$4,500, 1 at not exceeding \$3,500, 8 at not exceeding \$3,000, 4 at not exceeding \$2,700, 23 at not exceeding \$2,500, 1 at not exceeding \$2,400, 5 at not exceeding \$2,250, 26 at not exceeding \$2,200, and 48 at not exceeding \$2,000: *Provided further*, That the Secretary of the Treasury may allot such amount of this appropriation as in his judgment may be necessary, not exceeding \$85,000, for expenditure in the Post Office Department in connection with the distribution, sale, and keeping of accounts of Treasury savings securities, as provided in the deficiency appropriation act approved November 4, 1918, and no person shall be employed under such allotment at a rate of compensation exceeding \$2,500 per annum, and only one person shall be employed at a rate exceeding \$1,800 per annum.

Mr. BLANTON. Mr. Chairman, I reserve a point of order in order to ask a question or two. This paragraph beginning on page 13, headed "public debt service," and ending on top of page 15, is all legislation that is not authorized by law, and it provides quite a number of positions—

Mr. MADDEN. All of the activities in the paragraph are authorized by law.

Mr. BLANTON. The chairman of the committee understands I do not intend to make a point of order against the paragraph even though it is subject to a point of order if any part of it is necessary, but if there is any one of these positions unnecessary I think it ought to come out of the bill, and I want to get some information about it.

Mr. MADDEN. Let me tell the gentleman what we have done. The expense of these activities for 1922 was \$4,500,000; for 1923 by the consolidation it has been cut down to \$3,700,000. For 1924 we propose to cut it down to \$3,250,000, and without this consolidation that could not have been done.

Mr. BLANTON. When did it first become necessary to have a commissioner of public debt at \$6,000?

Mr. MADDEN. We have had him right along when the debt was increased from a billion to twenty-three billion dollars.

Mr. BLANTON. If we can continue to reduce it, as the gentleman indicated this morning when he said that the \$670,000,000 deficit had been wiped out until we now had a \$170,000,000 surplus, we will not need this commissioner of debt?

Mr. MADDEN. We are reducing it. We have reduced it from \$4,500,000 in 1922 down to \$3,700,000 in 1923 and we are reducing it in this bill to \$3,250,000, and we are going down every year with it, and we hope soon to be able to eliminate five or six hundred more people there.

Mr. BLANTON. Does the gentleman believe that all of the employees who are provided for in this paragraph are absolutely necessary?

Mr. MADDEN. Oh, they are engaged in the most important work the Government has. We have gone into this thing very thoroughly—and I give you my word there is no more important thing and nothing has been more seriously investigated than this—and nothing was cut in like proportion to this.

Mr. BLANTON. Mr. Chairman, I withdraw the reservation. The Clerk read as follows:

WORLD WAR FOREIGN DEBT COMMISSION.

For expenses of the World War Foreign Debt Commission, including personal services in the District of Columbia, and printing and binding, \$20,000.

Mr. SNELL. Mr. Chairman, I move to strike out the last word for the purpose of asking a question. Is this the first appropriation made for this activity?

Mr. MADDEN. This is the second. We had an appropriation last year—made after an investigation of the law author-

izing the appointment of the commission—for a like amount. It was made under the State Department and was transferred.

Mr. SNELL. This is the first one in this regular bill?

Mr. MADDEN. It was transferred from the State Department to the Treasury Department, where it properly belongs.

Mr. SNELL. So the commission is functioning?

Mr. MADDEN. It is functioning, but they have not any employees. They have not hired a man to perform any work. They are doing their own work. The Assistant Secretary of the Treasury is acting secretary of the commission, but later on they will have to have some people, but they do not know how many. I hope they will not have to employ many, but we do not know exactly just what that will be. This is about the only thing in the bill we do not know any of the details about.

The CHAIRMAN. Without objection the pro forma amendment will be withdrawn.

The Clerk read as follows:

For collecting the revenue from customs, including not exceeding \$300,000 for the detection and prevention of frauds upon the customs revenue, \$11,950,000, of which \$200,000 shall be immediately available.

Mr. BLANTON. Mr. Chairman, I reserve a point of order on the paragraph.

Mr. LONGWORTH. Mr. Chairman, I would like to ask the chairman of the committee a question. I am informed that the officials of the Customs Service asked for quite a substantial sum more than is given here.

Mr. MADDEN. I think the recommendation for the appropriation for the current year was \$11,300,000. They asked for \$12,250,000, which was \$950,000 more than the appropriation of the current year. The committee recommends \$650,000, which is \$300,000 less than they asked for.

The reason why we made this reduction was that in asking for \$950,000 they set apart \$450,000 of the \$950,000 for the fiscal year 1924 and \$500,000 of it for 1923—for the remaining part of 1923—on the assumption that this bill would not become a law before the 4th of March. It was manifest that \$500,000 could not be used in three months to do the work for which \$450,000 was asked for the entire year, and the customs officials who appeared before the committee themselves admitted that the proper proportion of the \$500,000 which they asked for the fiscal year 1923 would be on the basis of \$450,000 for a full year, but if it was for four months it would be \$150,000. Then, they had a laboratory in which they wanted to test dyes, the cost of which they said would be \$65,000—\$150,000 and \$65,000 together would be \$215,000. It was also clear to the committee that they could not spend the \$65,000 for the remainder of the fiscal year 1923 to complete the laboratory, so that the committee took out what we believed they could not spend and made the total for 1923 \$200,000, which we asked to be immediately available.

Mr. LONGWORTH. They asked for certain other sums, did they not?

Mr. MADDEN. They asked for \$40,000 for other work.

Mr. LONGWORTH. To be expended in the District of Columbia?

Mr. MADDEN. Yes; for which we did not think there was any justification. The gentleman who came down and testified before the committee was very anxious to get all he could get. I think he is very patriotic and very anxious to perform all the functions that are to be performed. We had to bring him back three different times before we could nail him to any specific fact, but when we got down to specific facts it was clear to the chairman of the committee that made the investigation that his request was not justified.

Mr. LONGWORTH. Is the gentleman entirely confident that this sum will be sufficient for the collection of customs? I understand that under the present favorable circumstances they have developed a larger revenue than was ever before received in the history of this country.

Mr. MADDEN. I ask the gentleman from Ohio this question: If \$450,000 was all they need for 1924 to do the same work which they proposed to do in 1923, and that \$450,000 was sufficient for an entire year, does he think they could use \$500,000 in four months in 1923?

Mr. LONGWORTH. I would not care to express an opinion, but I would think not. My only concern was that after we had found that we were deriving a very much larger monthly return from the customs revenue than ever before in history, and with the large amount of imports coming into the country, which are being delayed in the customhouses, as I understand—

Mr. MADDEN. They are being delayed because they have not the means now, but they will not be delayed when they have this \$200,000.

Mr. LONGWORTH. It is unfortunate that they should be short.

Mr. MADDEN. The Committee on Appropriations, having complete jurisdiction for the reporting of all appropriations, has the same power to report and make the sums immediately available as they have to recommend a deficiency.

Mr. BLANTON. Mr. Chairman, I reserve a point of order.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. SNELL. I want to ask the gentleman, have the imports increased?

Mr. MADDEN. The revenues have increased. The revenues up to October were the highest for any year, \$356,000,000. That was about \$30,000,000 more than ever before. The revenues for the month of October were \$40,000,000, and the revenues for the first 18 days of November were \$27,000,000. I am told that the total revenue for the month of November amounts to \$41,500,000, and it is estimated that the annual revenue to be derived through the tariff act will run not less than \$445,000,000 and may go to \$506,000,000.

Mr. SNELL. Then, so far the Fordney tariff bill has not proved to be a stone wall against imports?

Mr. MADDEN. No. The revenues are coming in very satisfactorily, I will say to the gentleman.

Mr. BLANTON. Mr. Chairman—

Mr. LINEBERGER rose.

Mr. BLANTON. I will yield to the gentleman from California if he desires.

Mr. LINEBERGER. I wish to ask of the gentleman from Illinois this question: Does he consider this \$200,000 which is being made immediately available to be sufficient to take care of the situation all over the country?

Mr. MADDEN. Yes; that is the intention.

Mr. LINEBERGER. I ask that for this reason: The port of Los Angeles, in which I happen to be interested, has increased its tonnage from 200,000 to 1,000,000 tons a month in the last 18 months, and we are requiring at the present time 21 additional assistants, mostly appraisers. Some of our shippers are paying \$1,000 demurrage on cargoes now. If that situation is general throughout the ports of the country, it seems to me this \$200,000 is very small.

Mr. MADDEN. We have gone very carefully into this. We considered it for more than three days and went over it very carefully indeed. As I stated to the gentleman from Ohio [Mr. LONGWORTH], they asked us for \$950,000, of which \$450,000 was asked for 1924, not for 1923. They proposed to do exactly the same thing for 1924 that they are doing with \$450,000 in 1923, and \$200,000 for the balance of the year 1923 will be on the same basis.

Mr. LINEBERGER. For how many months will that be?

Mr. MADDEN. Four months. It will be exactly on the same basis as the \$450,000 would be for the entire fiscal year.

Mr. LINEBERGER. I want to ask the gentleman one more question.

Mr. MADDEN. Go ahead.

Mr. LINEBERGER. In the matter of the facilities for inspecting ships, is it possible under this appropriation for the Customs Service to acquire, from other departments of the Government, certain vessels required by the collector of customs, or do they have to purchase them outright?

Mr. MADDEN. I think the Navy Department has a lot of ships that we ought to be able to get turned over, if they are the kind of ships that could be used for that purpose. So has the Shipping Board a large number of ships.

Mr. LINEBERGER. Does the gentleman know why that transfer can not be made without putting it in an appropriation bill?

Mr. MADDEN. There is no reason in the world, and there is nothing in this appropriation bill that provides for that. This is for collections.

Mr. LINEBERGER. We have been attempting that for four months and have been unable to secure any results whatever.

Mr. MADDEN. The President ought to be able to help it along. He ought to be able to direct the transfer of one of those tramps from one bureau to another.

Mr. SNELL. The Shipping Board ought to be able to supply the necessary vessels.

Mr. MADDEN. There are plenty of ships owned by the Government.

Mr. BLANTON. With regard to this \$200,000, it is merely a deficiency in this department for the fiscal year 1923, is it not?

Mr. MADDEN. That is true.

Mr. BLANTON. And during this Congress we have already passed four deficiency bills?

Mr. MADDEN. Not for this work.

Mr. BLANTON. But in this Congress?

Mr. MADDEN. Yes.

Mr. BLANTON. For the Sixty-seventh Congress the committee of which the gentleman is chairman has already secured the passage of four deficiency bills.

Mr. MADDEN. Three or four.

Mr. BLANTON. And the gentleman indicated in his speech this morning that we would have another one very shortly?

Mr. MADDEN. Yes.

Mr. BLANTON. And the gentleman indicated that just one item in it would be \$42,000,000 for the Treasury Department to cover claims for overpaid income taxes.

Mr. MADDEN. To cover overpayments.

Mr. BLANTON. That \$42,000,000 is a deficiency, is it not?

Mr. MADDEN. No; I do not think so.

Mr. BLANTON. The question I want to ask the gentleman is this: In taking the position before the country now as the gentleman and his committee and his administration do that they have reduced expenses for the fiscal year 1924 below those of the present fiscal year, 1923, ought not the gentleman at the same time to bring to the attention of the country all of these various deficiencies, which ought to be added to the expenses for the fiscal year 1923?

Mr. MADDEN. I want to call the attention of the gentleman to the fact that the deficiencies to which he is calling our attention now are not deficiencies for current business transactions. They are deficiencies that have come down to us over the years, and they run back to 1918, 1917, 1916, and 1915.

Mr. BLANTON. But they are 1923 deficiencies.

Mr. MADDEN. They come to us in this fiscal year.

Mr. BLANTON. They are expenses that are coming in during this fiscal year.

Mr. MADDEN. They are expenses coming in this year, but they are not expenses incurred during this year.

Mr. BLANTON. This \$200,000 is an expenditure for this fiscal year.

Mr. MADDEN. Oh, that is under the tariff act.

Mr. BLANTON. Under the ruling made by the gentleman from Ohio [Mr. LONGWORTH] that under the new rule the Committee on Appropriations have the right to bring in deficiency appropriations on an appropriation bill, I withdraw the point of order.

The CHAIRMAN. The gentleman withdraws the point of order.

Mr. GREEN of Iowa. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the committee a question. In this paragraph at the bottom of page 18 there was proposed by the Budget, was there not, \$40,000 additional?

Mr. MADDEN. There was.

Mr. GREEN of Iowa. That was for the purpose of being used in the District of Columbia?

Mr. MADDEN. Yes.

Mr. GREEN of Iowa. Will the gentleman please inform the committee why that was stricken out?

Mr. MADDEN. I did that a moment ago when the gentleman was not in the Hall of the House.

Mr. GREEN of Iowa. I was not here.

Mr. FESS. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. FESS. I should like to ask the chairman of the committee [Mr. MADDEN] a question. As I recall, the receipts under the former revenue bill during the last year of its enforcement amounted to about \$337,000,000?

Mr. MADDEN. The amount was \$356,000,000.

Mr. FESS. And under the present revenue bill you have a prospect of how much the first year?

Mr. MADDEN. We figure on not less than \$445,000,000, and perhaps as high as \$506,000,000.

Mr. FESS. In other words, the present tariff bill from a revenue standpoint will augment the revenues of the Government probably \$100,000,000 in the first year?

Mr. MADDEN. Yes.

Mr. LONGWORTH. If the gentleman will pardon me, I think it will be only reasonable to estimate that it will be very much more than that. The first month after the new tariff law went into force it was raising revenue on an average of more than \$480,000,000 a year. Now, there had not been for many years such a great amount of imports in volume as there were during the last three months of the old Underwood law. That was rather natural, because people were trying to discount the operation of the new law. But even in the face of that, immediately after the passage of the new tariff law, the rates of which were higher than those of the former tariff law,

during the months of October and November revenue has come in at a rate never before known.

Mr. FESS. As I recall the statement on the floor, the committee thought probably we would have \$70,000,000 additional over the old law.

Mr. LONGWORTH. I think the committee very greatly underestimated the revenue.

Mr. FESS. From the standpoint of revenue it is a tremendous success?

Mr. GREEN of Iowa. The gentleman is correct about that. It is a remarkable success—an unprecedented success. At the time the bill was passed I estimated the amount of revenue that would be collected at about \$450,000,000, but as I recollect the Treasury statistician put it at about \$405,000,000. Now I would like to call to the attention of the committee the fact that this great increase that has just been mentioned by the gentleman from Ohio [Mr. LONGWORTH] is over the former tariff as amended by the emergency act. The Underwood tariff in a time of peace before the war only produced a little over two hundred millions.

Mr. LONGWORTH. Two hundred and thirty millions or two hundred and forty millions.

Mr. GREEN of Iowa. When making a comparison between a Republican tariff bill and a Democratic tariff bill for revenue the comparison should be made with the amount of revenue received before the war under the Underwood bill in order to make it just. With reference to the imports, I will say that they are even larger than I anticipated, although I predicted that impoverished Europe would sell at any price that could be obtained.

The imports for the month since the new tariff bill has been in operation are almost double what they were in the preceding year for the corresponding period, but when it passed gentlemen on the other side said it would prove an embargo and return little revenue.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. GARRETT of Tennessee. It is not an abnormal condition which the gentleman has described, but in view of that fact does it not form a basis for the President to exercise his authority for reducing the revenue so as to take the burden off of the people?

Mr. GREEN of Iowa. It is not an abnormal condition, but the usual prosperity that attends the passage of a Republican tariff bill. Business is improving everywhere.

Mr. GARRETT of Tennessee. Does it not form a basis for the President to exercise his authority to reduce some of the duties?

Mr. GREEN of Iowa. Not so far as the revenue is concerned. We need the money, and I know of no other way in which it can be so easily raised.

Mr. SNELL. Mr. Chairman, I move to strike out the last word. Would it not be possible in order to take care of an emergency to make this sum of \$200,000 that is made available a little larger? It would not increase the total amount of the appropriation.

Mr. MADDEN. No; it would not increase the total amount of the appropriation but it would do this: It would take the money away from the places that are already occupied.

Mr. SNELL. Granting that is so, the people can not now get all the goods through the customhouse without paying demurrage. In Los Angeles they need 24 men, which would cost about \$4,000 a month.

Mr. MADDEN. This is providing for 300 men, and that is what they said they needed.

Mr. SNELL. They can now use 300 men?

Mr. MADDEN. Yes; that is what they want. This will give them all that they need. If you give them any more money, you take it away from the appropriation to pay the men already employed.

Mr. SNELL. I am not in favor of giving them any more money than they need, but I do think we should give them money enough to take care of the existing conditions in these ports that are now congested.

Mr. MADDEN. We think we have exhausted every avenue of information in the customs service and we have reached the conclusion that nobody could easily controvert and we could not justify doing anything else than what we have done. We have no disposition to curtail activities, but on the other hand we want to give them every dollar that they need.

Mr. SNELL. And the gentleman is positive that this can be done with this appropriation?

Mr. MADDEN. With the information they have given us, if that is correct, and we base it on their information, we have no doubt that it can be done.

Mr. ROACH. Will the gentleman yield?

Mr. MADDEN. If I have the floor.

Mr. ROACH. Is this all that they asked for?

Mr. MADDEN. No; they asked for \$500,000.

The Clerk read as follows:

Scales for customs service: For construction and installation of special automatic and recording scales for weighing merchandise, etc., in connection with imports at the various ports of entry under direction of the Secretary of the Treasury, \$100,000.

Mr. TILSON. Mr. Chairman, I move to strike out the last word. In regard to these special automatic scales, we all remember that when they were introduced for the weighing of sugar we expended something like \$100,000 a year on the installation of these automatic scales. How far along have they got, and will there be any end to it?

Mr. MADDEN. There will be no end as long as we carry out this program; you will have to start building the first scales that were built over again.

Mr. TILSON. Then are we not losing a great deal by fraudulent weight, and ought we not to appropriate a larger sum and have it all done and stop the program?

Mr. MADDEN. You can not stop the program because the requirements of the scales are endless; you can not build scales any faster than certain limited facilities which are not there to enable them to build them faster. You have to go along at a certain rate of speed. It is not essential that this class of scale should be used in all the weighing. It is essential that they should be used to weigh sugar and some things like that. They are not necessary for the weighing of other things. They have to have scales that they can move from a place where the trucks are and weigh the stock. These scales are stationary, and the reason they are used on high revenue-bearing imports like sugar is that they want a record made so that it will be clear and plain and nobody can change it. They do not weigh much of the smaller revenue-bearing commodities on that class of scales.

It is a very important thing how long it would take to complete this, and I asked the man in charge of the scales that question. He said that he did not know how long it would take. Then I asked him when he got the plans completed what would happen, and he replied that they would have to begin over again, that the scales first completed would be worn out at that time so that they would have to go on through the program and back again. It is like the man who was running for alderman. He said there were 250 saloons in his district and he was making a saloon campaign. When he got to the last saloon the first one was against him, so that he had to go around again.

Mr. TILSON. My inquiry was aroused by reason of the language—

special automatic and recording scales, for weighing merchandise.

If it is important that we should have this particular kind of scale, it seems to me that we ought to have them—

Mr. MADDEN. We have.

Mr. TILSON. And not be getting a few of them each year, so that the first ones will be worn out before the last ones are installed. It seems to me that we are not getting the most efficient service.

Mr. SNELL. Mr. Chairman, I would like to ask the gentleman from Illinois if the alderman's district to which he just referred is in Baltimore?

Mr. MADDEN. I would not wonder. For the information of the committee I want now to read a moment from the testimony of Mr. Gast, who testified in respect to these scales:

The CHAIRMAN. In what ports have you already installed the scales? Mr. GAST. We have these scales at the ports of Boston, New York, Philadelphia, Baltimore, Savannah, and New Orleans.

The CHAIRMAN. How nearly complete are they at any point?

Mr. GAST. At New York we have 39 scales complete, and there are 8 scales in course of installation at the present time. I should say we have over 300 scales of various types at the port of New York now. At Boston we have 11 of these scales installed. At Philadelphia we have 23; at Baltimore we have 4; at Savannah we have 6; and at New Orleans we have 10.

The CHAIRMAN. What is the life of these scales?

Mr. GAST. It is hard to say, but I should say it would be about the same as any other substantially constructed piece of machinery, about 12 years, although, I should say, the first scales which were installed in 1910 had the automatic mechanism replaced with a newer modern type of mechanism, and we remodeled the steelwork and the levers, so those scales are as good to-day as they were when they were installed.

The CHAIRMAN. Is there much cost of upkeep on these scales?

Mr. GAST. It runs about \$100 per scale per year. That includes the repair parts as well as the cost of the labor (mechanician) employed.

NUMBER OF SCALES PROPOSED TO BUILD.

The CHAIRMAN. How many scales do you expect to build out of the \$100,000, and where?

Mr. GAST. I have estimated for eight 5,000-pound scales and two 30,000-pound scales at New York; one additional 5,000-pound scale at Savannah, and one more at Baltimore. That makes exactly \$100,000, at the average cost per scale that we are paying at the present time.

The CHAIRMAN. How much is the average cost of the 5,000-pound scale?

Mr. GAST. It will average about \$7,000 per scale.

The CHAIRMAN. What about the 30,000-pound scale?

Mr. GAST. For the last one we paid \$15,000. That was four years ago. I am hoping to get additional ones at the same price, or possibly for less.

The CHAIRMAN. Does the Government build these scales?

Mr. GAST. No, sir.

The CHAIRMAN. You contract for them?

Mr. GAST. We contract for them. I write the specifications, advertise for bids, and then the lowest bidder gets the work.

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. BUTLER. What is an automatic scale?

Mr. MADDEN. It is a scale that makes a record of the work that it does.

Mr. BUTLER. But all scales do that.

Mr. MADDEN. This makes it without any human touch on a tape, and the tape is not red.

Mr. BUTLER. And it has no music charms connected with it?

Mr. MADDEN. There may be a liberty bell on it.

The Clerk read as follows:

In all, Federal Farm Loan Bureau, \$301,720.

Mr. MADDEN. Mr. Chairman, before we get away from the farm loan business, I move to strike out the last word, because I think it is only fair for me to state for the information of the House that most of the farm loan banks are making money. They have about \$4,000,000 surplus, and many of them are paying dividends at the rate of from 6 to 10 per cent. The unfortunate thing that I have discovered in the investigation which I have made is that while the dividends are intended to be paid to the stockholders, or the borrowers, in many cases more than 50 per cent of the dividends goes to the man in charge of the local association, the man who organized the association in the community. There ought to be something done to prevent this. Our committee has no legislative jurisdiction. If we had we would have reported some legislation upon this particular bill to remedy this evil. I think the country should understand, particularly that part of the country which is affected by this action, that when the farm loan banks in any region pay dividends those dividends, of course, are sent through the local association for distribution to the borrowers, and the intention of the law was that the dividends should be paid and to the extent that they were paid they would reduce the interest cost of the money borrowed; but if the money that is paid in dividends is all to be absorbed by the so-called secretary-treasurer, then I think there must be some law to prevent that in the future. In one case in Texas, and I do not remember the location of the local association, the secretary-treasurer of the association absorbed to himself more than 50 per cent of the amount paid by the Federal reserve bank in dividends to the borrowers of that association.

Mr. TEMPLE. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. TEMPLE. By what process does he absorb it?

Mr. MADDEN. He pays his salary; he pays his expenses with it. He is the Pooh-Bah. The secretary-treasurer is the man who organizes it.

Mr. TEMPLE. He does not fix his own salary, does he?

Mr. MADDEN. He does. He just takes it.

Mr. BUTLER. And there is no way in this bill by which that amount of money can be reduced. This money does not come out of the Treasury, but it comes out of a fund raised by another bill.

Mr. MADDEN. That is correct.

Mr. BUTLER. And in this committee we have no power over it whatever.

Mr. MADDEN. We have no power to remedy the evil. I have called this to the attention of the House so that some of the gentlemen who are on the Banking and Currency Committee may learn of it and introduce legislation which will provide a remedy to cure the evils to which I have alluded.

Mr. TILSON. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. TILSON. I note that the total amount for the Federal Farm Loan Bureau is very much increased, apparently. It is 25 per cent over what it was last year.

Mr. MADDEN. There is an increase of only \$9,000. Thirty-five thousand dollars was in a deficiency act, and it was to carry out the provisions of the law. This is permanent law.

Mr. TILSON. Will this be paid back?

Mr. MADDEN. That part of it is reimbursable.

Mr. TILSON. Just the \$35,000?

Mr. MADDEN. That is all.

Mr. TILSON. Otherwise the increase has been about \$9,000 only.

Mr. MADDEN. Yes.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the pro forma amendment. I notice elsewhere in this bill, wherever traveling expenses are provided for, it is specified that it should be when the person receiving the expenses is traveling on official business. Twenty thousand dollars is provided here in one part of the paragraph for the traveling expenses of the members of the board. There is no restriction upon it whatever. It simply says for traveling expenses. In other words, in addition to the \$10,000 salary, whenever any member of the board or an employee wants to take a trip, he can do so.

Mr. MADDEN. The reason why we did not carry that language is that the law itself provides that the traveling must be on official business. We do not repeat all the language of the law.

Mr. BLANTON. Elsewhere in the bill it is repeated. In providing for traveling expenses you provide that it shall be on official business.

Mr. MADDEN. There is no objection to that being put in here.

Mr. BLANTON. But it is safeguarded in the law?

Mr. MADDEN. It is; absolutely.

Mr. FESS. Mr. Chairman, I move to strike out the last two words just to make one observation. Members will recall that in the last session we passed two laws in the form of amendments, one to appreciate the interest paid on the bonds from 5 to 5½ per cent in order to make them marketable, so they would be taken by the public. The other was to increase the amount of money in the sum total that might be loaned for the relief of the farmer. I think it might be of value to the Members here to note that while the 5½ per cent is allowed under the law, under the present Treasury administration it is not required; but the last sale was at the rate of 4.2, which means a saving to the Government of 1.3 per cent. I have mentioned that to indicate the success of the financing of the Government under the Treasury Department.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn.

There was no objection.

The Clerk read as follows:

For repairs to canceling and cutting machines in the office of the Treasurer of the United States, \$200.

Mr. REED of West Virginia. Mr. Chairman, I move to strike out the last word. I want to ask the chairman about the force employed in redeeming the Federal reserve and national currency, if that is not paid—

Mr. MADDEN. That is all paid by the banks. They have a redemption fund on deposit in the Treasury of 5 per cent of the amount in circulation, and when they send in the money for redemption the cost is taken out of this fund.

Mr. REED of West Virginia. I want to ask if the salaries that are given to these people for doing this important work for the banks are in any way in harmony with the salaries the banks pay their people for doing these things?

Mr. MADDEN. I do not know what they are paying their clerks. But they are not doing such important work; it is counting money—

Mr. REED of West Virginia. Do they have clerks counting money in a dingy place where daylight never enters at \$900 a year? Does the gentleman think the Federal reserve banks have clerks doing important work at a salary like that?

Mr. MADDEN. Yes; lots of them.

Mr. STAFFORD. The gentleman is not acquainted with the salaries being paid by private establishments, otherwise he would not rise here and criticize these salaries.

Mr. MADDEN. And the gentleman must also remember they are getting \$240 on top of the \$900.

Mr. REED of West Virginia. The Federal land banks have been called to our attention where some of the officials are absorbing practically all in salaries.

Mr. MADDEN. The gentleman is mistaken, I did not make such a statement—

Mr. GREEN of Iowa. That is, the joint-stock land banks.

Mr. MADDEN. No; these are not officials of the land banks. I want to get that out of the gentleman's head. They are officials of the local associations, members of the local associations; the banks themselves are doing no such thing.

Mr. REED of West Virginia. If the private banks are paying their people higher for doing similar work, does not the gentleman think these salaries should be in harmony with what they are paying?

Mr. MADDEN. The salaries are in harmony with what other people on the pay roll are getting. Why should we make them

a special class as far as the banks are concerned? We could not do it. There is a law under which they are paid.

Mr. REED of West Virginia. But they were fixed in 1875.

Mr. MADDEN. And there is a reclassification act pending in the Senate. I wish the gentleman would get his two Senators to vote for it.

Mr. REED of West Virginia. Passed in 1875, and their work has increased ten times since that time.

The Clerk read as follows:

OFFICE OF THE COMPTROLLER OF THE CURRENCY.

Comptroller, \$5,000; deputy comptrollers—1 \$3,500, 1 \$3,000; chief clerk, \$2,500; chiefs of divisions—1 \$2,500, 2 at \$2,200 each; general bookkeeper, \$2,000; assistant bookkeeper, \$2,000; vault clerk, \$2,000; clerks—4 at \$2,000 each, 15 of class 4, additional to bond clerk, \$200, 21 of class 3, 23 of class 2, 27 of class 1, 14 at \$1,000 each, 7 at \$900 each; stenographer, \$1,600; multigraph operators—1 \$1,400, 1, \$1,200; clerk-counters—2 at \$1,400 each, 4 at \$1,200 each; 6 counters, at \$840 each; 3 messengers, at \$840 each; 5 assistant messengers, at \$720 each; 3 laborers, at \$660 each; messenger boys—1 \$480, 1 \$420; in all, \$206,440.

Mr. LONDON. Mr. Chairman, I move to strike out the last word. I desire to ask the chairman the following question: Can the salaries provided in this bill be increased so as to comply with the reclassification provision which we adopted when we passed that bill?

Mr. MADDEN. When the reclassification act is passed by the Senate and becomes a law, then we should revise the salaries in a special bill and cover that.

Mr. LONDON. But we can not increase the salaries now?

Mr. MADDEN. No.

Mr. LONDON. That would be subject to a point of order?

Mr. MADDEN. That would be legislation.

Mr. BRIGGS. Mr. Chairman, I move to strike out the last word. I want to ask the chairman of the committee if he is familiar with the procedure under which the Comptroller of the Currency appears to authorize the establishment of branch banks throughout the country? Was that matter brought up in the hearings?

Mr. MADDEN. No, it was not; and I do not think there is any law anywhere that authorizes branch banks, is there?

Mr. BRIGGS. That is the question I have up before me and which seems to be a subject of complaint. I am getting letters constantly now complaining that the Comptroller of the Currency is apparently authorizing branch banks, or offices as they are called, and I wanted to know under what authority of law he is authorized to grant the establishment of such branch banks.

Mr. MADDEN. I really do not know.

Mr. GARRETT of Tennessee. Does the gentleman refer to banks in the District of Columbia or elsewhere?

Mr. BRIGGS. Both.

Mr. GARRETT of Tennessee. The branch banks that are being established here in the District of Columbia are under an act fathered by the gentleman from Missouri [Mr. MILLS-PAUGH], reported from the Committee on the District of Columbia, and passed by the last Congress.

Mr. BRIGGS. This is under alleged general authority operating throughout the United States, as I understand it.

Mr. MADDEN. I do not think there is any authority in law for them.

Mr. STAFFORD. If my colleague will permit, the present Comptroller of the Currency, Mr. Crissinger, takes the position that the existing law gives him authority to establish offices. There is a division of opinion among the bankers of the country as to whether the national banking act should be amended so as to authorize national banks to establish offices in States where the State banking institutions are privileged to establish branch banks; but at the last meeting of the National Bankers' Association in New York, as the gentleman from Texas [Mr. Briggs] is well aware, that association passed overwhelmingly a resolution protesting against the establishment of a system of branch banks. Fundamentally, for my part, I am opposed to the establishment of a system of branch banks from seeing its actual effects in Canada, which I had occasion to observe in seasons when I have been out of Congress.

Mr. BRIGGS. Does the gentleman know under what authority of law the comptroller acts in authorizing the establishment of these offices? They are simply nothing but banking offices, where banking is carried on just as it is carried on in the larger institutions.

Mr. STAFFORD. No Comptroller of the Currency prior to the present official ever assumed that he had that authority. From time to time in the consideration of the Federal reserve act there have been provisions authorizing the establishment of branch banks, but those provisions have gone out, either in conference or in the House.

Mr. BRIGGS. The gentleman's committee took no action on that?

Mr. STAFFORD. No; because it is not within our legislative power.

Mr. BRIGGS. Mr. Chairman, I withdraw my pro forma amendment.

The CHAIRMAN. The pro forma amendment is withdrawn. The Clerk will read.

The Clerk read as follows:

For special examinations of national banks and bank plates, keeping macerator in Treasury Building in repair, and for other incidental expenses attending the working of the macerator, and for procuring information relative to banks other than national, \$2,250.

Mr. MADDEN. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. SANDERS of Indiana, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill (H. R. 13180) making appropriations for the Treasury Department for the fiscal year ending June 30, 1924, and for other purposes, had come to no resolution thereon.

WITHDRAWAL OF PAPERS.

Mr. REED of New York, by unanimous consent, was granted leave to withdraw from the files of the House, without leaving copies, the papers in the case of Katherine L. Cushing (H. R. 13316, 65th Cong.), no adverse report having been made thereon.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. HOCH, for three days, on account of important business.

To Mr. BURTON, for two days, on account of official business elsewhere.

EXTENSION OF REMARKS.

Mr. LONDON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ADJOURNMENT.

Mr. MADDEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 59 minutes p. m.) the House adjourned until to-morrow, Friday, December 8, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

786. A letter from the Secretary of War, transmitting 651 reports of inspections of disbursements and transfers by officers of the Army received in the office of the Inspector General during the fiscal year ended June 30, 1922; to the Committee on Expenditures in the War Department.

787. A letter from the Acting Secretary of Commerce, transmitting statement of disbursements during the period from December 1, 1921, to November 30, 1922, from contingent expenses, Department of Commerce, and general expenses, Bureau of Standards; statement of expenditures under all appropriations for the support of the Bureau of Fisheries during the fiscal year ended June 30, 1922; statement of typewriters and other labor-saving devices exchanged during the fiscal year ended June 30, 1922; and statement of travel performed by officers and employees from Washington to points outside the District of Columbia on official business; to the Committee on Expenditures in the Department of Commerce.

788. A letter from the chairman of the Interstate Commerce Commission, transmitting the thirty-sixth annual report of the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

789. A letter from the chairman of the United States Shipping Board, transmitting the sixth annual report of the United States Shipping Board, covering the period June 30, 1921, to and including June 30, 1922; to the Committee on the Merchant Marine and Fisheries.

790. A letter from the Secretary of the Treasury, transmitting a report of the contingent expenses of the Treasury Department for the fiscal year ended June 30, 1922; to the Committee on Expenditures in the Treasury Department.

791. A letter from the First Assistant Secretary of the Interior, transmitting the original papers relating to the pension

claim of Carl Olsen, certificate No. 1175146; to the Committee on Pensions.

792. A letter from the chairman of the Public Utilities Commission, transmitting a report of the official proceedings of the Public Utilities Commission of the District of Columbia for the year ended December 31, 1921, and also the balance sheets and other financial and statistical data of the several public utilities for the year ended December 31, 1921; to the Committee on the District of Columbia.

793. A letter from the Director of the United States Botanic Garden, transmitting a report relative to travel performed on official business from Washington to points outside the District of Columbia; to the Committee on Appropriations.

794. A letter from the Acting Secretary of Agriculture, transmitting a report giving the aggregate number of publications issued by the Department of Agriculture during the fiscal year ended June 30, 1922; to the Committee on Printing.

795. A letter from the Acting Secretary of Agriculture, transmitting a report showing the publications received and distributed by the Department of Agriculture during the fiscal year ended June 30, 1922; to the Committee on Printing.

796. A letter from the Postmaster General, transmitting statement of publications issued by the Post Office Department during the fiscal year 1922; to the Committee on Printing.

797. A letter from the Postmaster General, transmitting statement showing what officers or employees have traveled on official business from Washington to points outside of the District of Columbia during the fiscal year ended June 30, 1922; to the Committee on Appropriations.

798. A letter from the Attorney General, transmitting annual report of the Department of Justice for the fiscal year ended June 30, 1922; to the Committee on the Judiciary.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (S. 408) for the relief of Louise St. Gez, executrix of Auguste Ferré, deceased, surviving partner of Lapene & Ferré; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (S. 404) for the relief of the legal representatives of the estate of Alphonse Desmare, deceased, and others; Committee on Claims discharged, and referred to the Committee on War Claims.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HUSTED: A bill (H. R. 13232) making appropriations for the Departments of State and Justice and for the Judiciary for the fiscal year ending June 30, 1924, and for other purposes; committed to the Committee of the Whole House on the state of the Union.

By Mr. STEVENSON: A bill (H. R. 13233) to amend section 5 of the United States cotton futures act, approved August 11, 1916, as amended; to the Committee on Agriculture.

By Mr. RAINEY of Alabama: A bill (H. R. 13234) to limit the immigration of aliens into the United States; to the Committee on Immigration and Naturalization.

By Mr. SNYDER: A bill (H. R. 13235) to amend the Indian appropriation act of February 14, 1920 (41 Stats. p. 413), in so far as the same relates to the collection of fees for determining the heirs and approval of wills of deceased Indians; to the Committee on Indian Affairs.

By Mr. DRANE: A bill (H. R. 13236) to provide for a site and public building at Winter Haven, Fla.; to the Committee on Public Buildings and Grounds.

By Mr. FOCHT: A bill (H. R. 13237) authorizing the closing of certain portions of Grant Road, in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. HICKS: A bill (H. R. 13238) to authorize the Secretary of the Navy to procure, purchase, manufacture, or construct additional aircraft for the Naval Establishment; to the Committee on Naval Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEEDY: A bill (H. R. 13239) authorizing the Secretary of War to transfer to the town of Kittery, Me., for park purposes, all right and title now vested in the United States to

the entire Government reservation known as Fort McClary, in said Kittery; to the Committee on Military Affairs.

By Mr. BENHAM: A bill (H. R. 13240) granting an increase of pension to William H. Thompson; to the Committee on Pensions.

By Mr. BULWINKLE: A bill (H. R. 13241) granting a pension to Banner Chandley; to the Committee on Pensions.

By Mr. CHALMERS: A bill (H. R. 13242) granting an increase of pension to Clarissa Nehiser; to the Committee on Pensions.

By Mr. COUGHLIN: A bill (H. R. 13243) for the relief of Nancy Engle; to the Committee on Military Affairs.

By Mr. DALLINGER: A bill (H. R. 13244) granting a pension to Carrie A. Cunningham; to the Committee on Invalid Pensions.

By Mr. DARROW: A bill (H. R. 13245) for the relief of the legal representatives of Donnelly and Egan, deceased; to the Committee on War Claims.

By Mr. DUPRE: A bill (H. R. 13246) for the examination and survey of the intracoastal canal from the Mississippi River at or near New Orleans, La., to Corpus Christi, Tex.; to the Committee on Rivers and Harbors.

By Mr. HUDSPETH: A bill (H. R. 13247) for the relief of the Awbrey Coal & Coke Co.; to the Committee on Claims.

By Mr. KIESS: A bill (H. R. 13248) granting an increase of pension to Mary Marley; to the Committee on Invalid Pensions.

By Mr. KREIDER: A bill (H. R. 13249) granting an increase of pension to Sophia Bowman; to the Committee on Invalid Pensions.

By Mr. LAYTON: A bill (H. R. 13250) for the relief of Helene M. Layton; to the Committee on Claims.

By Mr. LINTHICUM: A bill (H. R. 13251) for the relief of Mary A. Cox; to the Committee on Claims.

By Mr. MOTT: A bill (H. R. 13252) granting a pension to Anna A. Randall; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13253) granting a pension to Allie W. Seeber; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13254) granting a pension to Edith M. Ball; to the Committee on Invalid Pensions.

By Mr. PETERSEN: A bill (H. R. 13255) for the relief of Charles J. Eisenhower; to the Committee on Claims.

By Mr. PURNELL: A bill (H. R. 13256) granting an increase of pension to Harry Elkins; to the Committee on Pensions.

By Mr. REECE: A bill (H. R. 13257) granting a pension to Ray Dugger; to the Committee on Pensions.

By Mr. RAMSEYER: A bill (H. R. 13258) granting an increase of pension to George W. Searcy; to the Committee on Pensions.

Also, a bill (H. R. 13259) for the relief of J. E. Benton; to the Committee on Claims.

By Mr. SNELL: A bill (H. R. 13260) granting an increase of pension to Emma Page; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 13261) granting a pension to Robert McAfee; to the Committee on Pensions.

Also, a bill (H. R. 13262) granting a pension to Carl D. Waters; to the Committee on Pensions.

Also, a bill (H. R. 13263) granting a pension to Oliver L. Burnett; to the Committee on Pensions.

By Mr. WILLIAMSON: A bill (H. R. 13264) granting a pension to Albert Peterson; to the Committee on Pensions.

Also, a bill (H. R. 13265) granting a pension to William Garnett; to the Committee on Pensions.

Also, a bill (H. R. 13266) granting an increase of pension to Charles C. Chadick; to the Committee on Pensions.

By Mr. WOOD of Indiana: A bill (H. R. 13267) granting an increase of pension to Catherine Hayden; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6538. By the SPEAKER (by request): Petition of the Quaker City Chapter, No. 162, representing 353 members, Order of Eastern Star of Pennsylvania, and citizens of Pennsylvania, asking for the passage of the Towner-Sterling bill for the creation of a department of education; to the Committee on Education.

6539. By Mr. BRIGGS: Communication and petition from E. L. Long, Alvin, Tex., for recognition, through increased appropriations, of pink bollworm claims; to the Committee on Appropriations.

6540. By Mr. CAREW: Petition of citizens of the city of New York, relating to the brutal murder and torture of Irish men and Irish women; to the Committee on Foreign Affairs.

6541. By Mr. CRISP: Petition of R. H. French and others, of Virginia, to abolish discriminatory tax on small arms ammunition and firearms; to the Committee on Ways and Means.

6542. By Mr. FULLER: Petition of the Fire Marshals' Association of North America, for legislation to prohibit the transportation of inflammable films in interstate commerce; to the Committee on Interstate and Foreign Commerce.

6543. Also, petition of the Federation of Polish Hebrews of America, favoring amendment of the immigration laws to permit the entry of all married women whose husbands are already in America, and their children, regardless of the quota allowed for the country where they reside; to the Committee on Immigration and Naturalization.

6544. Also, petition of the Naval Post of Chicago, No. 372, Department of Illinois, American Legion, favoring maintaining the Great Lakes Naval Training Station and making the necessary appropriations therefor; to the Committee on Appropriations.

6545. Also, memorial of the city council of the city of Chicago, for a new post-office building at Chicago; to the Committee on Public Buildings and Grounds.

6546. By Mr. KELLEY of Michigan: Petition of Thomas E. Houghton and 20 other citizens of Flint, Mich., to abolish discriminatory tax on small-arms ammunition and firearms; to the Committee on Ways and Means.

6547. By Mr. KIESS: Petition of Knights of Malta, Renovo, Pa., favoring the passage of the Towner-Sterling bill to create a department of education; to the Committee on Education.

6548. By Mr. KISSEL: Petition of Safe River Committee of 100, New Orleans, La., relative to flood control; to the Committee on Flood Control.

6549. By Mr. ROACH: Petition of the Ministerial Alliance of Boonville, Mo., protesting against recent Turkish atrocities and requesting that the United States of America voice its emphatic protest; to the Committee on Foreign Affairs.

6550. By Mr. TEMPLE: Petitions of residents of Washington County, Pa., in support of House bill 7, for the creation of a department of education; to the Committee on Education.

6551. By Mr. YOUNG: Petition of A. G. Smith and others, of Velva, N. Dak., to abolish discriminatory tax on small-arms ammunition and firearms; to the Committee on Ways and Means.

6552. Also, petition of Evenson & Peterson Co., Litchville, N. Dak., to abolish discriminatory tax on small-arms ammunition and firearms; to the Committee on Ways and Means.

6553. Also, petition of Mr. Haut and others, of Gackle, N. Dak., to abolish discriminatory tax on small-arms ammunition and firearms; to the Committee on Ways and Means.

SENATE.

FRIDAY, December 8, 1922.

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, along the track of our history we have abundant evidences of Thy great goodness. Thou hast been with us as a people in many of the great emergencies which confronted us. We believe Thou art the same God, the God of our fathers, and our God, too. We humbly ask that Thy help may be had in the perplexing problems of this hour, and so lead us onward that in every department of service Thine approval may be realized. Through Jesus Christ, our Lord. Amen.

The VICE PRESIDENT being absent, the President pro tempore took the chair.

WILLIAM B. MCKINLEY, a Senator from the State of Illinois, and A. OWSLEY STANLEY, a Senator from the State of Kentucky, appeared in their seats to-day.

The reading clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Calder	Couzens	Dial
Bayard	Capper	Culberson	Dillingham
Brookhart	Caraway	Cummins	Fernald
Broussard	Colt	Curtis	Fletcher